ANNUAL REPORT

2007

Super deBoer

2007

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The annual report is available in both Dutch and English. Of the two texts, the text in the English language is the only authentic text, and therefore prevails.

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Foreword

The comprehensive reorganisation commenced by Laurus in 2006 following the sale of Edah and Konmar was successfully completed in 2007. Since 1 January 2008, the company continues under a new name – Super de Boer – a clear expression of Laurus' transformation.

By 2007, Laurus had reached the end of its life cycle and, having made a clean break with the past, we worked hard last year to forge a new identity for the company. The creation of a strong, customer-focused Super de Boer format, in the context of a positive and forward-looking process, is central to the organisation and business culture of Super de Boer.

That we are on the right track is demonstrated by the figures: with fewer stores than before, the Super de Boer banner achieved the same level of consumer sales in 2007 as in 2006. That achievement is the product of both higher sales floor productivity and higher average sales per store, which are the significant indicators of success in the supermarket sector. For the first time in several years, we returned to profit in 2007, earlier than we had expected. This success greatly encouraged all our employees, who have worked so hard to bring about the company's recovery.

Their efforts merit our most sincere thanks. We intend to continue on our chosen course and we are confident that, working together, the new Super de Boer will take another significant step forward in 2008.

J.G.B. Brouwer
CEO

Key figures 2007

Financial highlights (consolidated)

(in millions of euro)

	2007	2006
Revenue (net sales)	1,858	2,894
Operating result excluding special items	7	(13)
Result from operating activities (EBIT)	21	(30)
Net financing costs	(11)	(15)
Result for the period	10	(45)
Net debt	77	78

Stores

	End 2007	End 2006
Super de Boer	315	357
of which, franchisees	176	184
Edah	0	21
of which, franchisees	0	21
Konmar Superstores (including Lekker & Laag Superstores)	0	2
of which, franchisees	0	0
Total	315	380
of which, franchisees	176	205

Market share

	2007	2006
Super de Boer	7.3%	7.6%
Laurus	7.3%	11.9%

The objective

Super de Boer is a national supermarket format with a distinct regional and local flavour which aims to be the best supermarket in each region. It will achieve this objective by offering the highest possible quality of products and services at affordable prices and building an open and personal relationship with its customers. As an active member of the local community, Super de Boer sees it as its task continuously to translate the format's core values – 'warm and engaged', 'surprising', 'skilled, 'down to earth' and 'price-conscious' – into meeting local needs. Families with children are the main target group. They know and trust Super de Boer and value the help Super de Boer provides by making it easier to budget for household expenses and maintain a healthy lifestyle.

Personal particulars Supervisory Board

(status as at 9 April 2008)

S.W.W. Lubsen MBA (m), (64), chairman

Former member Board of Management of Heineken N.V.;
Dutch national;
Appointed to the Supervisory Board in May 2004, up for retirement by rotation in 2008.

Main non-executive directorships/ancillary positions:

- Chairman of the Supervisory Board of Concordia Fund B.V.;
- Member of the Board of Directors of Teleflex Inc. USA;
- Member of the Supervisory Board of RUVABO B.V.;
- Member of the Supervisory Board of IFF (Nederland) Holding B.V.

H.L. Aouani (m), (43)

Senior Vice President Corporate Development and Holdings of Casino Guichard-Perrachon S.A.;
French national;
Appointed to the Supervisory Board in December 2007, up for retirement by rotation in 2011.

Main non-executive directorships/ancillary positions:

In addition to holding executive directorships at several Casino Guichard-Perrachon S.A. subsidiaries, Mr Aouani holds directorships at the following companies or businesses in which Casino or the latter's controlling shareholder participates:

- Chairman of the Supervisory Board of Vindémia S.A.S.;
- Chairman of the Supervisory Board of C-Discount S.A.;
- Member of the Board of Directors of Monoprix S.A.;
- Member of the Board of Directors of Grupo Pao de Açucar, Brazil;
- Member of the Board of Directors of Almacenes Exito S.A., Colombia;
- Member of the Board of Directors of Disco, Uruguay;
- Member of the Board of Directors of Cativen S.A., Venezuela.

D.R. Goeminne (m), (53)

Former member Board of Management of Maxeda B.V. and chairman of the Board of Management of Vroom & Dreesmann B.V.;
Belgian national;
Appointed to the Supervisory Board in December 2007, up for retirement by rotation in 2011.

Main non-executive directorships/ancillary positions:

- Member of the Board of Management of Mitiska N.V., Belgium.

J.H. Ozinga (m), (43)

Executive Vice-President International Development of Casino Guichard-Perrachon S.A.;
Dutch national;
Appointed to the Supervisory Board in November 2006, up for retirement by rotation in 2010.

Main non-executive directorships/ancillary positions:

In addition to holding executive directorships at several Casino Guichard-Perrachon S.A. subsidiaries, Mr Ozinga holds directorships at the following companies or businesses in which Casino or the latter's controlling shareholder participates:

- Member of the Supervisory Board of Vindémia S.A.S.;
- Member of the Board of Directors of Cativen S.A., Venezuela;
- Member of the Board of Directors of Almacenes Exito S.A., Colombia;
- Member of the Board of Directors of Big C Supercenter Public Co., Ltd, Thailand.

Committees

Selection, Nomination and Remuneration Committee

S.W.W. Lubsen MBA (chairman)
H.L. Aouani

Audit Committee

D.R. Goeminne (chairman)
J.H. Ozinga

Personal particulars Group Management Board

As from 6 November 2006 the Board of Management consists of Mr J.G.B. Brouwer (52), whose appointment by the Supervisory Board took place after the Extraordinary Meeting of Shareholders of 3 November 2006.

Furthermore the Super de Boer Group Management Board is composed as follows:

Th.C.M. van Beek RA (m), (41)
Finance

A.H. de Boer MBA (m), (40)
ICT, Supply Chain Management

A.B. Davids (m), (46)
Real Estate (as from 3 April 2007)

J.A. Heuving (m), (54)
Operations

G. Kuiper (f), (48)
Personnel & Organisation

E.C.J. Leebeek (m), (44)
Marketing and Purchasing (as from 26 February 2007)

R. de Vries (m), (52)
Logistics

With the exception of Mr Brouwer, none of the above is a member of the Board of Management.

Directorships/ancillary positions Group Management Board

The members of the Group Management Board do only fulfil directorships/ancillary positions outside Super de Boer N.V. to the extent that these positions are directly related to the activities of Super de Boer N.V., for example positions with industry organisations. An exception to this is formed by Mr Brouwer's Supervisory Board memberships at Albron B.V. and RFS Holland Holding B.V./Wehkamp.

Report of the Supervisory Board to the shareholders

The year 2007 was very much dominated by the transition from Laurus to Super de Boer. The sale of Edah and Konmar in 2006 and the decision to focus solely on the Super de Boer format were accompanied by a far-reaching reorganisation that also continued to demand time and energy from the company in 2007. The key events in this respect were the completion of the sale of Edah and Konmar, the disposal of the Super de Boer stores that had inadequate potential or were inconsistent with the format, the decision to adapt the distribution network to the scale of the activities and the downsizing and centralisation of the head office activities in Amersfoort. The reorganisation was completed in 2007, and so the company can now once again focus all its attention on the future and on working to improve the competitive position and quality of the Super de Boer format. With a net result that was positive for the first time since 2003, the company has demonstrated that it is now back on the right track.

The Supervisory Board held six meetings with the CEO and CFO in 2007. All or virtually all of the members of the Supervisory Board attended most of these meetings. Furthermore all members of the Supervisory Board attended the General Meeting of Shareholders held on 11 May 2007 and three of the four then members attended the Extraordinary General Meeting of Shareholders on 19 December 2007. In addition to the formal meetings, there were contacts among the members of the Supervisory Board and with the Group Management Board. A Supervisory Board delegation attended the consultative meetings of the works council. There were also regular contacts between the chairman of the works council and the chairman of the Supervisory Board. The Supervisory Board also met in the absence of the Group Management Board to discuss the functioning of the Supervisory Board and its individual members. Moreover the functioning of the Group Management Board and its in individual members was discussed.

Supervisory Board Committees

Notwithstanding its own responsibilities, the Supervisory Board relies on two committees that address certain subjects in greater detail.

The members of the **Audit Committee** are Messrs D.R. Goeminne (as of 19 December 2007, chairman) and J.H. Ozinga. Mr F.A. Croon has been a member of the Audit Committee until the end of his term as a Supervisory Board member as at 11 May 2007. Mr J.A.N. van Dijk has been a member of the Audit Committee as of 11 May 2007 until the end of his term as chairman of the Supervisory Board as at 19 December 2007.

The Audit Committee met three times in 2007. These meetings were attended by the CEO and the CFO and also by KPMG, the external auditors. Considerable attention was paid by the committee to the reorganisation of the company. Furthermore attention was paid to the normal duties connected with external financial reporting. The Audit Committee reports regularly on its findings to the full Supervisory Board, which also receives minutes of the Audit Committee meetings.

The **Selection, Nomination and Remuneration Committee** consists of Messrs S.W.W. Lubsen (chairman) and H.L. Aouani (as of 19 December 2007). The Board recognises that Mr Lubsen's chairmanship of both the Supervisory Board and the Selection, Nomination and Remuneration Committee does not accord with the recommendations of the Corporate Governance Code. It is consequently the Board's intention for the person appointed to fill the vacancy that arose as a result of Mr Van Dijk's resignation also to be appointed chairman of the Selection, Nomination and Remuneration Committee.

The Selection, Nomination and Remuneration Committee met on three occasions in 2007, in part in the presence of the full Supervisory Board. Discussions focused primarily on filling the vacancies arising as a result of the resignations of Messrs Croon, Naouri and Van Dijk and on remuneration criteria for the Group Management Board.

Composition of the Supervisory Board

At this moment the Supervisory Board consists of four members. Messrs Aouani and Goeminne were appointed to the Supervisory Board by the General Meeting of Shareholders on 19 December 2007, with Mr Goeminne being appointed following nomination by the works council pursuant to Section 158(6) of Book 2 of the Dutch Civil Code and Mr Aouani being nominated by Casino in accordance with the agreements reached with Casino. The appointments of Messrs Aouani and Goeminne are in line with the profile approved by the General Meeting of Shareholders and will help to ensure that the required degrees of expertise and knowledge continue to be represented on the Supervisory Board.

The Board currently has a vacancy, following Mr Van Dijk's resignation at the end of his term. Casino's current interest of around 57% in the company means it has the right to nominate a candidate to fill this vacancy. In addition to Mr Van Dijk, whom resigned on 19 December 2007, Mr Croon also resigned from the Supervisory Board (on 11 May 2007), while Mr J-C.H. Naouri resigned on 30 November 2007. We would like to express our gratitude to Messrs Van Dijk, Croon and Naouri for their commitment to the company and the efforts they have made on its behalf.

Mr Lubsen will step down from the Supervisory Board in 2008 by rotation. The Board will propose his reappointment. The General Meeting and the works council are entitled to nominate candidates for appointment to the Board. The works council has given notice of the fact that it will not be using its right to recommend a candidate and that it has no objection to the reappointment of Mr Lubsen.

Financial statements and appropriation of profit

In accordance with article 27 of the articles of association, the Board of Management prepared the financial statements and reported on the financial year 2007. We have co-signed the financial statements. KPMG Accountants N.V. has issued an unqualified auditors report, which is included in this annual report. The financial statements and Report of the Group Management Board are submitted for your consideration and adoption. The articles of association draw a distinction between adoption of the financial statements and discharge of the management exercised by the Board of Management and the supervision by the Supervisory Board. We recommend that the shareholders adopt the financial statements and discharge the management exercised by the Board of Management and the supervision of the Supervisory Board.

The consolidated result for the period for the financial year 2007 was € 10 million positive. Under Section 105(2) of Book 2 of the Dutch Civil Code the company is not entitled to distribute a dividend because its shareholders' equity is lower than its paid and called-up capital plus the reserves required to be maintained by law. Dividend payments are also restricted by the financing agreement concluded with banks. Consequently the profit for the year 2007 shall be added to the reserves.

Corporate Governance Code

In general, Super de Boer endorses the provisions of the Corporate Governance Code. Super de Boer cannot apply certain elements in the way intended by the Corporate Governance Code, at least not immediately. These are mainly in situations where existing contractual relationships cannot be changed unilaterally, such as the corporate governance agreement with Casino. It is a matter of common knowledge that the Corporate Governance Code allows companies to depart from the Code if there are reasons to do so (the 'apply or explain' principle). A more detailed description of Super de Boer's application of the Corporate Governance Code is set out on pages 20 to 25 of this Annual Report.

Amersfoort, 9 April 2008

Supervisory Board
S.W.W. Lubsen, chairman
H.L. Aouani
D.R. Goeminne
J.H. Ozinga

If 2006 was a year of 'sale and reorganisation', 2007 was in many respects a year of transition in the process of transforming Laurus into Super de Boer. Although completing the reorganisation of Laurus made heavy demands on the company, good progress in strengthening Super de Boer's market position was made, laying a solid platform for further improvement in the quality of the format in 2008.

Super de Boer's like-for-like sales grew 3.7% in 2007, as against 2.5% in 2006, maintaining a clearly upward trend. It was also an encouraging sign that the company ended the year 2007 in profit, for the first time since 2003. The return to profitability came sooner than expected, clear evidence that the course embarked in 2007, seeking profitable sales rather than market share, was the right one. As a consequence of the disposal of stores that had inadequate potential or were incompatible with the format, Super de Boer's market share declined in 2007 from 7.6% to 7.3%.

Laurus reorganisation

The reorganisation of Laurus was a multi-faceted exercise broadly comprising three tasks: rationalising the distribution centres and offices, reducing the overhead including outsourcing ICT, and revising or terminating contracts (including reviewing volume contracts with suppliers).

Distribution centres and offices

The process of disposing of distribution centres, which started in 2006 and continued in 2007, was undertaken with the aim of creating a clear and manageable logistics structure. The distribution centre in Renswoude was closed in the first quarter, followed in mid-2007 by the distribution centre in Waddinxveen. The sublease on the Someren distribution centre to S&S Winkels B.V. expired at the end of 2007. Because this distribution centre was not part of the Super de Boer distribution structure, an appropriate solution is sought, either by buying off the lease or by subleasing again. Super de Boer's logistics structure now consists of a total of four distribution centres: two so-called full-line centres in 's-Hertogenbosch and Beilen, a slow-mover distribution centre in Veenendaal and a frozen food distribution centre in Drachten.
The office accommodation was also rationalised. As from 1 January 2007, the head office functions were brought together at Super de Boer's office in Amersfoort, with a number of administrative functions based at the existing 's-Hertogenbosch and Beilen sites. It was decided in the course of 2007 to look for another location for the head office in Amersfoort, in view of the parking problems and shortage of space at the current site. We recently moved to the new site, which is very close to the previous location.

In mid-2007, the lease on the former Laurus head office in 's-Hertogenbosch was taken over by ABN AMRO Bank. The former Edah head office in Helmond, which is owned by Super de Boer and which we intend to sell together with the surrounding land in 2008, was closed at the end of the year. The (leased) head office in Hoogeveen was closed at the end of December and a number of employees were relocated to the new office accommodation built on the site of the Beilen distribution centre.

Overhead and outsourcing

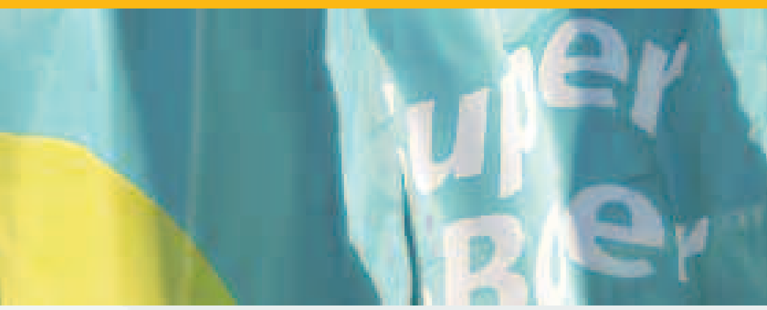
The sale of Edah and Konmar in 2006 had serious consequences for Laurus employees. The number FTEs at the offices had to be reduced from some 800 to around 330. It took all year to implement this large redundancy programme, a painful but necessary operation which is now finalised. One part of the overhead-reduction operation was the outsourcing of practically the entire ICT function (including the Helmond computer centre) to Simac, which has relocated it to Son en Breugel. The final step in this process will be taken in 2008 with the establishment of a back-up computer centre in Veldhoven, to provide an extra guarantee of reliability and continuity.

Contracts

It was agreed in 2006 with the purchasers of Edah, together forming the S&S Winkels consortium, that Laurus would provide at cost support services relating to administration, ICT and purchasing. This so-called Service Level Agreement was terminated as envisaged in the third quarter of 2007. The reduction in purchasing volume after the sale of Edah and Konmar made it necessary to adjust several of the long-term volume contracts which had been entered into with suppliers in the past. In most cases, this issue was resolved in 2006, but negotiations are still in progress with Mijwo Beheer B.V., supplier of cheese and poultry products.

Strengthening Super de Boer

The promising Super de Boer format was modified in a number of important respects in 2007 to prepare for future growth. Firstly, we implemented the plan we made in 2006 to rationalise the store portfolio by reducing the number of stores from 357 at the end of 2006 to 315 by the end of 2007. Stores which had inadequate potential or were incompatible with the Super de Boer format were sold or closed.
The effectiveness of the store portfolio was also enhanced by appointing a support team, supervised by a regional manager, for each of the three regions into which the portfolio is divided. These teams, consisting apart from zone managers, of a controller, a personnel and organisation manager and



Consumer sales and market share

Consolidated consumer sales in 2007 amounted to € 2,086 million, compared with € 3,215 million in 2006. The decline in consolidated consumer sales reflects the sale of the Edah and Konmar stores in the course of 2006.

The Super de Boer format achieved consumer sales of € 2,084 million in 2007 (2006: € 2,049 million). Strong like-for-like sales growth more than offset the loss of revenues resulting from the disposal of 44 stores, two of which were run by franchisees. Like-for-like sales were 3.7% higher in 2007 in comparison with 2006, when like-for-like sales rose by 2.5%.

Super de Boer's market share developed from 7.6% in 2006 to 7.3% in 2007 as a result of the reduction in the number of stores.

Revenues and gross profit

Consolidated revenues (net sales) amounted to € 1,858 million in 2007 (2006: € 2,894 million). In addition to net revenues from consumer sales, this item also includes revenues (totalling € 217 million) from services to S&S Winkels B.V., property rental income and ICT fees. These other revenue components amounted to € 249 million in 2006.

Consolidated gross profit decreased from 15.7% in 2006 to 13.7% in 2007. Margins were adversely affected mainly by the shift in the ratio of own stores to stores operated by franchisees. The gross profit generated by the own stores is higher than the wholesale margin on sales to franchisees. In addition the relative share of the other revenue components referred to above also increased. The gross profit on those components is virtually nil.

Selling expenses

Selling expenses were more than 50% lower, at € 197 million. In 2006, this item included selling expenses relating to the Edah and Konmar stores, as well as restructuring costs of € 17 million. Selling expenses also fell in 2007 as a result of the sale or closure of own Super de Boer stores.

specialists in fresh food, property and construction & store layout, are able to respond quickly and effectively to meet the stores' needs. The objective is to achieve operational excellence without long lines of communication, which is why the teams are based in their regions: the northern region team in Beilen, the southern region team in 's-Hertogenbosch and the western region team in Amersfoort.
To strengthen Super de Boer's market position, a plan was implemented in 2007 to improve five commercial elements: format concept, price perception, ordering system, checkout system and store operation.

Improved format concept

A store was opened in Hardenberg in April 2006 which was designed entirely in accordance with Refresh II principles. Refresh II is the successor to Refresh, the original format renewal concept launched at an own store in Leidsche Rijn in 2005. Four more stores based on the new format principles were opened in 2007, in Nieuw-Amsterdam, Utrecht, Borculo and Dordrecht. These pilot stores are performing well, with a growing customer base, higher average spend per customer and improved profitability.
It is not our intention, however, to apply the Refresh II concept uniformly to all stores. The Refresh operation is an ongoing process of development of new format elements, which can be applied as a package or on a modular basis to suit the individual store. It might include narrowcasting on in-store TV or perhaps a tapas counter: the choice of modules depends on the local situation. Neither the Hardenberg store nor the trials at the other four stores represent a rigid blueprint that has to be applied at a given store in its entirety. The great advantage of this flexible approach is that it enables Super de Boer to upgrade the format at a fast pace without tying itself to an extensive and thus time-consuming conversion process. The roll out of the Refresh II format will continue in 2008.

Improved price perception

Super de Boer is perceived by too many consumers as 'expensive'. In early 2007, therefore, a campaign was launched under the slogan 'In prijs verlaagd!' (Down in price!), where the prices of dozens of items are reduced each week and held down permanently. The campaign is continuing into 2008. This long-term strategy was chosen because it reminds consumers continuously that prices are down, an effect which cannot be achieved by deep one-off price cuts. Super de Boer also adopted a more aggressive policy on special offers in early 2007 which are supported by striking in-store advertising at all supermarkets. The third element in the price strategy is to give more prominence to the fancy label, 'de goedkoopste keuze' (the cheapest choice) in the range.

Improved ordering system

Trials with a new automated ordering system for the stores, named SAP Store after the software used in this project, started at the end of 2006. On the basis of actual sales, SAP Store prepares order recommendations that the supermarket manager can vary as he or she thinks fit. Less human intervention means fewer errors, bringing benefits including less frequent out-of-stock situations. SAP Store was rolled out to the other Super de Boer stores in 2007, a process which was completed in the first quarter of 2008.

Improved checkout system

Super de Boer started making preparations for the replacement of the existing checkout systems in 2006. After careful evaluation of the options, the Storeline system by Retalix, a worldwide supplier of checkout systems to retailers including Tesco and Delhaize, was chosen. Storeline is an improvement on the 'old' systems in many respects. For example, it offers more comprehensive reporting functionalities and automates the cash count process. Storeline uses a touch screen instead of a keyboard and the customer receipt shows against each individual item whether it is a special offer. Super de Boer started introducing Storeline at its stores late 2007 and will continue to roll out the system in 2008. The new checkout system will be installed at each Super de Boer store by the end of the year.

Improved store operation

To raise store operation to an even higher level, Super de Boer launched a project in 2007 named 'Samen Werken aan de Winkel' (Working Together for the Store), which will run until the end of 2008. The project comprises seven training programmes, each lasting around twelve weeks, for the supermarket employees. Six of the programmes – Local Marketing; Atmosphere & Service; Fruit & Vegetables; Meat; Meat products, cheese & bread and Dry Groceries – are designed to promote sales and one – Costs & Leakage – aims to improve efficiency. Stores are not required to run all seven programmes, but decide for themselves when to run which session, and select their preferred modules on that basis. The programmes have achieved exceptionally good results, with significant improvements in customer satisfaction ratings in virtually all cases.

Super de Boer in 2008

Now that the reorganisation is finalised, all energy can be put into further improving the Super de Boer format in 2008, building on the foundations laid in 2007. Super de Boer shall continue on the route taken to improve price perception and explore new approaches. One of these will be the second price

Operating result

The consolidated operating result in 2007 was a profit of € 21 million (2006: € 30 million loss). The increase of € 51 million resulted mainly from:

- *Improvement in Super de Boer's operating result by some € 6 million.*
- *Exceptional expenses of € 7 million included in the result for 2007, primarily early retirement expenses.*
- *The transaction result on the sale of Super de Boer stores and the proceeds of sale of Edah and Konmar, amounting to € 21 million.*
- *Operating losses at Edah and Konmar amounting to some € 16 million, included in the result for 2006.*
- *Inclusion in the 2006 operating result of exceptional expenses totalling € 17 million.*

The operating result for the Super de Boer format in 2007 was € 9 million.

Net financing costs

The average bank loans taken in 2007 were lower than in 2006, leading to lower financing costs. Net financing income and expense was € 11 million negative, compared with € 15 million negative in 2006.

Tax

The taxation charge for 2007 was nil (2006: nil). The tax due on the profit in 2007 was set off against part of the tax loss carry-forward facility. Super de Boer has a loss carry-forward facility of about € 275 million. The related tax component amounts to about € 70 million.

line, a line of several hundred products at structurally lower prices in a number of selected stores, depending on the local market conditions. The second price line currently comprises four hundred products at twenty stores. The possibility of extending this project, in terms of the stores involved and/or product range, will be considered in 2008.
As well as keeping prices low, we shall continue to work hard in 2008 to improve quality. That process has four dimensions: employees, store experience, product range and location. With the rationalisation of the store portfolio, we have dealt with the fourth of those factors, leaving more time to concentrate on the other three.

Employees

Super de Boer's ability to establish its own identity in the market depends largely on the expertise and enthusiasm of its employees. In today's market, the focus must be on the customer, in all kinds of ways. It is not enough simply to fulfil the technical requirements of personnel policy; quality and business culture are also extremely important. Precisely how Super de Boer puts this into practice is explained in the 'Employees' section.

Store experience

Customers like supermarkets that offer an enjoyable shopping experience. On the one hand this can be achieved by running the store efficiently to reduce the number of irritations to a minimum, and on the other hand by ensuring that the store breaths an atmosphere of warmth. The improvements we are making through the Refresh project and the introduction of SAP Store and Storeline in 2008 will be instrumental in addressing these issues. The Atmosphere & Service training programme, part of the Samen Werken aan de Winkel project, will also make a valuable contribution to this effort.

Product range

The key concepts in our product range policy for 2008 are health, freshness and sustainability. The latter is discussed in greater depth in section sustainability.
The performance in the fresh food sector will be raised, with better management of categories such as bread, meat, fruit and vegetables, convenience foods and meal components.
The new regional teams, in which a key part is played by fresh food experts, will help to achieve this. From fresh to healthy is a small step. A unique feature of Super de Boer's 'healthy and tasty' drive is the long-term association we formed in December 2007 with Sonja Bakker, the popular food guru, who will give consumers nutrition suggestions and advice on the Super de Boer website and in the Super de Boer magazine 'Lekker Leven'. Health food products in the Super de Boer stores carry a 'Aanbevolen door Sonja' (Recommended by Sonja) label.
The private label is assuming increasing importance in Super de Boer's product range policy and will continue to do so in 2008. The plan is to replace all private label products still carrying the Super logo – introduced in the past because they were also sold at the Konmar stores – with Super de Boer logo in 2008. This will strengthen the association between store and private label. The end of market 'Superieurlijn' (Superior line) will be greatly expanded, as will the 'Voordeelverpakkingen' (Saver pack) and budget lines at the lower end of the market, which were developed in 2007. The 'Ik kies bewust' (Informed choice) logo will be carried by more private label products in 2008, making it clear that the private label is also responding to the health theme. With consumers paying closer attention to nutritional value and calories, private label packaging will, where relevant, show the energy value per portion as well as per 100 grams.
In summary, Super de Boer will strive not to maximise but to optimise the product range, which may also mean rationalising it where necessary.

Market developments

The Dutch food market has become extremely competitive, with a relatively large number of supermarket chains battling for the consumer's favour. Although the sales projections for the sector are not unfavourable, consumers are losing spending power as a result of higher government charges and rising commodity prices. In these circumstances, coupled with the fiercely competitive market, a further wave of consolidation within the sector is probable in the coming years.

Net result

2007 closed with a net profit of € 10 million, compared with a loss of € 45 million in 2006.

Financial position and cash flow

The net debt end 2007 amounted to € 77 million (end 2006: € 78 million).
The cash flows were as follows:

- *The cash flow from operating activities amounted to € 35 million negative (2006: € 124 million negative). This includes a sum of some € 37 million in respect of the restructuring provision.*
- *Cash flow from investing activities amounted to € 36 million (2006: € 405 million). This was primarily due to the sale of Super de Boer stores and the settlement of disposals in 2006 (Edah and Konmar franchisees), amounting to about € 39 million. The capital expenditures amounted to € 28 million (2006: € 31 million).*
- *Cash flow from financing activities amounted to € 36 million negative (2006: € 279 million negative).*

Balance sheet

Balance sheet total decreased from € 482 million end 2006 to € 343 million end 2007. The decrease is the effect of finalisation of the divestment programme and the expiration of services to S&S.

Equity

Shareholders' equity increased from € 41 million end 2006 to € 51 million end 2007. The increase reflects the net profit for 2007.

Outlook for 2008

Super de Boer expects consumer sales exceeding € 2 billion in 2008 with sustained growth in like-for-like sales. This will offset the loss of revenue resulting from the disposal of more than 40 stores in 2007. As a result of this disposal during 2007, market share will be lower in 2008 compared to 2007.

Barring unforeseen circumstances, Super de Boer expects to achieve a further increase in the operating result (before special items) in 2008.

About 40 Super de Boer stores will be modernised in 2008, half of which will be company owned. Capital expenditures in own stores is expected to amount to € 20 million, which includes replacement investment of around € 4 million.

Amersfoort, 9 April 2008

J.G.B. Brouwer
CEO

Sustainability

Super de Boer stated its objectives in the area of corporate social responsibility and sustainability in its sustainability report published in June 2006. That report, which was prepared in accordance with the guidelines of the Global Reporting Initiative ('GRI'), was the first of its kind in the Dutch supermarket sector.
Super de Boer's policy is also unique, because it focuses explicitly on making the production chain sustainable, both environmentally and socially. No other Dutch supermarket chain has formulated its policy on that basis. In implementation of this policy, Super de Boer entered into a partnership with Natuur en Milieu (the Netherlands Society for Nature and Environment) and Oxfam Novib in November 2005.
A knowledge consortium was set up in early 2006 in which the three partners work with the Wageningen Agricultural Economics Institute and Erasmus University in Rotterdam to generate the knowledge needed to make the Super de Boer format more sustainable. These activities are supported financially by Transforum, an independent foundation which has been commissioned by the government to build a new knowledge infrastructure with the aim of making the agriculture and food sectors more sustainable.

Results

Greater sustainability is a primary objective for the Super de Boer format, but the process of transforming Laurus into Super de Boer in 2007 meant that we were unable to give it the degree of attention we would have wished. We did, nevertheless, achieve some significant results. Priorities in the product range policy include promoting sustainable fruit, vegetable and fish production and fair trade in products such as fresh tropical vegetables and fruit, tropical vegetable and fruit conserves, cocoa, tea, rice and fish. To coordinate our own activities, a project group has been set up for each priority issue, consisting of Super de Boer managers, representatives of Natuur en Milieu, Oxfam Novib and other social organisations, external experts and suppliers.

Fruit and vegetables

The fruit and vegetables project group is working to reduce the use of chemical crop protection in Dutch agriculture. In cooperation with The Greenery, groups of around ten growers have been formed for six major crops – strawberry, apple, pear, iceberg lettuce, leek and sprouts – who operate in accordance with the 'integrated agriculture' guidelines. These guidelines based on the 'no/unless' principle, which means that chemical crop protection agents are only used if all other options have been exhausted. This enables growers to gain experience with environment-friendly production methods without running the risk of losing their crop. All the growers have the support of advisers from DLV Plant, a leading consultancy and research organisation in Wageningen. Experience with this sustainability project has been encouraging and it was decided in 2007 not just to continue but to expand it – cabbages have now been added to the list, together with a greenhouse farming crop: tomatoes. The external agricultural consultants ensure that knowledge accumulated by the 'experienced' growers is shared with the 'new' growers.

Fish

In the fish project group, we are working with the Wereld Natuur Fonds (Worldwide Fund for Nature), the Stichting de Noordzee (North Sea Foundation), the Marine Stewardship Council ('MSC') and fish supplier Mayonna B.V. to establish which fish species qualify for MSC certification, which would benefit from more sustainable practices, such as changing fishing grounds or fishing methods, or even removal from the shelves. The project group also investigated improving the sustainability of tropical prawn production. The first results of Super de Boer's new policy on fish will become apparent in 2008. As well as MSC-certified herring, Super de Boer will sell fried fillet of Haddock and cod parings made from MSC-certified ingredients but also more sustainably produced tropical prawns and farmed salmon. Two products – small sole and tuna – were removed from the range because of overfishing. With this progressive policy, Super de Boer is setting the pace in the Dutch supermarket sector.

Fair trade

Progress has also been made in promoting fair trade. Adding around 40 Fair Trade Original items to its range in early 2006 made Super de Boer the largest supplier of fair trade products in the supermarket channel, but support for small farmers in developing countries has so far produced no concrete results. Fair trade is a complex issue which can involve many factors, ranging from child labour and fair wages to the right of free association. To gain experience in these areas, Super de Boer has joined forces with The Greenery and Oxfam Novib in 2008 to launch a project in Egypt covering all the fruit and vegetables which Super de Boer procures from that country via The Greenery. Prior to the launch, employees from the three organisations will undergo training in the principles of the Ethical Trading Initiative ('ETI'), a UK entity that is developing fair trading standards.

Employees

The reorganisation process

One of the key issues in personnel policy in 2007 was completion of the Laurus reorganisation. The closure of distribution centres and the centralisation of offices resulted in a considerable loss of functions. More than 40 loss-making stores were sold or closed in 2007. The third and fourth quarters of the year employees departed who had been retained to implement the Service Level Agreement with the S&S Winkels B.V. consortium. All of these changes required thorough preparation, efficient procedures and intensive after-care. Although the compulsory redundancy of a large number of employees does not, of course, give cause for rejoicing, we can look back on that difficult process with some degree of satisfaction, given the good support that the company was able to provide and the improving labour market.

Towards a new identity

Important though it was, the reduction of the organisation was not the biggest challenge for personnel policy in 2007: that was the challenge of translating the new Super de Boer identity in human resources terms, to enable employees to say farewell to the past and restore their confidence in the future. First, it meant helping the employees to find their place in a different organisational structure that is appropriate to a smaller, single-format enterprise. At head-office level, this involved reorganising departments and working processes and a restructuring of jobs, responsibilities and authorities, supported by a revised job evaluation system. Other tasks included integration of the central butchery facility in Beilen, which was acquired from supplier VION on 1 January 2007, and revising the staffing and structure of the logistics organisation to meet the needs of the new situation, with only four distribution centres.

The basis of the personnel policy is now in place. Consistent with our striving for an integrated personnel policy, the policy tools were brought into line with the needs of the organisation and social developments. To further improve the organisation's image on the labour market, an ambitious labour market communication campaign was launched.

Cultural change

Although changing the structure does not automatically mean changing the culture, a comprehensive process of cultural change was initiated in 2007, with the support of the Personnel & Organisation department, in order to stress to each employee that customer focus should be at the core of Super de Boer's identity. The objective is to maximise customer satisfaction by replacing the directorial function of head office with a demand-driven approach at store level. This process of change requires a different conception of management. Managers will be less able to rely on their hierarchical position within the organisation and will be expected to provide leadership which is more in the nature of coaching, with a strong emphasis on cooperation between people and disciplines and a good feel for what is happening in the local market where, at the end, money has to be earned.

Training

However, achieving a fundamental cultural change involves more than just introducing a new management style. If the demand-driven approach is to succeed, the quality of the staff at all levels in the organisation has to be raised. For that reason, the Personnel & Organisation department started working in 2007 on a radical renewal of the training function, a task to which insufficient time had been devoted in the preceding period owing to the far-reaching changes which Laurus had undergone. Under the slogan 'Van Goed naar Super' (From Good to Super), personnel policy from now on will focus strongly on encouraging the employees to use the training and take advantage of the opportunities for advancement which Super de Boer offers.

Because the stores are the core of the business, that is where the process of renewal has started. We are working hard to instil a customer-centred attitude with our wide-ranging 'Superslag' (Super Drive) and 'Superservice' training programmes. The in-store training also addresses the important issue of store crime. An induction module for new store employees, based entirely on e-learning principles, was introduced in October 2007 and the 'Basismodules Medewerker Supermarkt' (basic modules for supermarket employee) are currently being prepared for on-line application.

A major success story for Super de Boer's training function has been MOTOR, a two-year management training programme for future supermarket managers which, in the short time since its introduction, has gained so much in quality and depth that it was recognised in October 2007 by the 'Centraal Bureau Levensmiddelenhandel' (Central Food Retail Bureau) ('CBL') as an HBO (college) level course. Super de Boer is the first in the Dutch supermarket sector to have in-company training that is certificated at CBL-4 level.

Super de Boer's training function will be further improved and expanded in 2008. A start has already been made with development programmes for supermarket managers and zone managers and training courses for logistics managers and other groups are on the agenda.

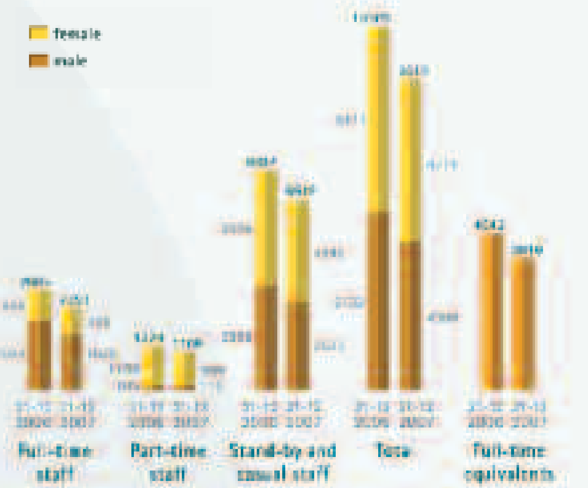
Safety

A key element of Super de Boer's personnel policy is the protection of employees against in-store crime. The 'Platform Detailhandel Nederland' (the Netherlands Retail Platform) and the CBL recently drew attention to the growing problem of in-store violence and aggression, a worrying development which demands a robust response. In the case of in-store crime, Super de Boer's main concern is for the safety of its employees and its policy adopts a two-pronged approach: effective management of in-store aggression and crime prevention.

Aggression cannot be avoided, but it can be managed. Store employees are given special training in how to handle aggression so as to defuse the situation. It has been found that developing skills to manage aggressive behaviour can significantly reduce the risk.

Robbery with violence is the most serious form of in-store crime. As well as on effective victim support, Super de Boer's policy is focused primarily on prevention, consistent with the CBL policy in this area. First and foremost, this takes the form of good organisational measures, both procedural and structural. Minimising the potential proceeds of crime is also a central principle: ensuring that cash is inaccessible – preferably off the store premises – discourages the criminal. In that context, Super de Boer is currently investigating the possibility of introducing 'sealed cash systems' and is installing CCTV systems at more stores which are monitored in real time by a dedicated company.

Employees Super de Boer



Employees offices/logistics/stores

Store staff by age

End 2007, the total number of employees was 9,019 (3,819 full-time equivalents), compared with 10,503 (4,542 FTEs) end 2006. The decrease mainly reflects the sale of more than 40 stores, the closure of distribution centres and the reduction of head-office functions. Most (more than 85%) of Super de Boer employees work in the supermarkets. The largest group employees are under 25 years old, mostly stand-by and casual staff. The 35-44 age group is the next largest group, at almost 11%.

Risk profile and risk management

The Dutch food retail market is saturated and extremely competitive. It is served by a relatively large number of players, including a strong market leader. A feature of such a fiercely competitive market is that price wars may break out from time to time, with one of the players trying to increase its market share by cutting consumer prices. Other players usually follow suit, putting the operating results of all parties under pressure. The adverse effects of a price war can only be limited to some extent by a cost-effective organisation, or by passing the loss of margin back to earlier links in the chain. Factors of a macro-economic nature also have an impact on customers' price perception. This is relevant as far as Super de Boer's efforts to win customers' favour are concerned because the company operates in one segment of the food market only: the full-service segment.

Super de Boer serves customers through its own stores (retail activities) and through franchisees (wholesale activities). Super de Boer grants franchisees the right to use a Super de Boer store format under certain conditions. The Super de Boer organisation purchases goods and delivers these to the stores. If franchisees decided to join another grocery wholesaler, Super de Boer could lose locations. There are, however, long-term contracts with the franchisees. In addition, Super de Boer is often lead tenant and, in some cases, owner of the stores. Based on the contracts, and assuming that there are no material changes in the relevant legislation (tenancy and competition law), Super de Boer believes that this risk is manageable. A price war or economic recession may affect the operating results of the independent retailers affiliated to Super de Boer. This in turn may be reflected in higher provisions for receivables or in a higher contribution being made to these operations under Super de Boer's prevailing terms of business, whereby both parties share the risks and rewards. If franchisees are unwilling or unable to continue operating their store, Super de Boer generally acquires the store in order to retain the location and if possible to sell it to another franchiser. This is not always possible, and so repurchased retail stores sometimes make a negative contribution to the result for some considerable time.

With respect to operating activities, the selling and general and administrative expenses are predominantly fixed expenses. Examples include long-term leases on store locations and other premises, and employment contracts with an indefinite term. Consequently, there are only limited opportunities for changing cost levels in the short term and so, in a number of cases, cost reductions involve restructuring costs.

Super de Boer buys its goods from a range of suppliers in the Netherlands and abroad. The conditions related to purchasing are agreed with these parties, mostly on an annual basis. Changes in the terms and conditions agreed with suppliers could affect Super de Boer's result. Based on the company's long-term relationships with its various suppliers, alliances with other parties in the purchasing market, and the centralisation of purchasing and the logistical structure, Super de Boer regards this risk as manageable. The company has long-term contracts with amongst others suppliers of cheese and poultry. These contracts mostly include a minimum purchase volume. Talks are currently being conducted with the relevant suppliers on dissolving or amending the contracts. It is not certain whether these will be successful.

Goods are predominately purchased in euros and so the effect of exchange movements on Super de Boer's results is limited. There are international market prices for some products sold by the Super de Boer banner, which may fluctuate, and price increases cannot always be passed on to the consumer in full.

Interest payable and, therefore, Super de Boer's results are affected by movements in interest rates. Super de Boer has not entered into any interest rate swap contracts to limit the effect of interest rate movements on the result.

As part of its risk management measures, Super de Boer has insurance policies for the most common risks associated with its activities, such as loss of profits, fire and third-party liability. In Super de Boer's opinion, the insurance policies offer adequate cover for the financial consequences if such risks should manifest themselves, in order to limit their impact on the result.

Most of the pension commitments are managed by the foundation Stichting Pensioenfonds SDB. The pension plan operated by this foundation qualifies under IFRS as a Defined Benefit Obligation, which means that any negative difference between the pension liabilities and the related investments ('plan assets') has to be carried in Super de Boer's balance sheet. Under the terms of the management agreement between Super de Boer and Stichting Pensioenfonds SDB any surplus will accrue to the pension plan participants. Pension benefits and entitlements may be adjusted annually through a profit-sharing scheme. There is no right to indexation. The profit-sharing scheme is conditional.

Although the pension entitlements managed by the various industry pension funds possibly qualify as Defined Benefit Obligations, they are treated as a Defined Contribution Plan because of a lack of detailed information on the actuarial calculations pursuant to IAS 19.

A number of balance sheet items in the financial statements of Super de Boer are based on management estimates and assumptions relating to future results. If the actual results differ, it may have a significant influence on the valuation of items such as goodwill, deferred tax assets and the provisions for claims. Some potential risks, the most significant of which concern guarantees given in respect of the sale of activities in Spain (potential claims relating to the Tragoz and Mas por Menos insolvencies), cannot be quantified.

Various organisational measures and procedures have been implemented in order to improve the quality of operations and incorporate the correct checks and balances into the activities, including approvals, authorisations, reviewing investment decisions and so on. In implementing the best-practice provisions of the Dutch Corporate Governance Code on risk management and control systems, the company introduced an internal risk management and control system tailored to the company in 2004. This system is designed to manage the operational risks identified in each area of activity, to identify financial risks promptly and to ensure the quality of financial reporting. The system has been incorporated into the company's operating processes. The existing risk assessments were reviewed in 2007 as a result of the major organisational changes that followed the transition from Laurus to Super de Boer. It was decided as a result of this review to discontinue certain monitoring tasks and implement certain new monitor tasks, as well as amend the criteria designed to ensure that risks are properly managed. Lastly Super de Boer has a whistleblower's procedure in place to allow reporting of any suspected general, operational or financial irregularities.

The Group Management Board believes that its existing risk management measures are sufficient to provide a reasonable degree of certainty as to the absence of material inaccuracies in the financial reporting, losses and fraud.

Corporate Governance Code

Super de Boer N.V. ('Super de Boer'), having its registered seat and its actual office in Amersfoort, is a 'structuurvennootschap' (a company subject to the Dutch law large company regime) established in the Netherlands whose shares are listed on the Euronext Amsterdam stock exchange. This means that the Corporate Governance Code as defined by the commission Tabaksblat ('the Code') applies to Super de Boer.

We set out below how Super de Boer applies the Code.

Super de Boer endorses the aims underlying the Code. There has to be confidence in the integrity of the management of large companies. Greater openness and active dialogue with all stakeholders and society as a whole contribute to this. Expectations between Super de Boer, its stakeholders and society must be based on respect, good faith and a sense of reality.

Super de Boer complies with the Code and only a limited number of aspects of the Code are not applied. According to the Code, departures need not be improper as, in certain circumstances, they can be justified. Being able to apply all the provisions depends on the specific circumstances of the company and its shareholders. Not all companies are the same: they operate in different markets, the diversification of share ownership differs, their ownership structures differ, and so forth. According to the Code 'explanation constitutes compliance after approval by the General Meeting of Shareholders'. In other words, if the General Meeting of Shareholders has explicitly adopted the company's corporate governance structure and policy and has also agreed the explanation of a departure from one or more best-practice provisions, the company is complying with the Code. Such an resolution was adopted by the General Meeting of Shareholders on 12 May 2005. Subsequent changes in the application of the Code were approved by the General Meeting of Shareholders on 11 May 2007.

The following is based on the text of the Code, the explanatory notes by the Tabaksblat Committee and the current interpretation of the Code.

Super de Boer N.V. is a Dutch public limited liability company subject to the full large company regime pursuant to its articles of association. Super de Boer shares are listed on the Euronext Amsterdam stock exchange. Super de Boer has no protective measures in place against hostile take-overs; Super de Boer does not have protective preference shares. No depositary receipts for shares have been issued. This means that Super de Boer shareholders may, if they wish, always

directly exercise the voting rights on their shares. This in itself meets one of the key principles of the Code.

The company initiated a number of measures in 2004 and 2005 to ensure compliance with the best-practice provisions in relation to the risk management and control system. As part of this exercise, the existing internal control measures were evaluated and incorporated in an internal risk management and control system specifically geared to the company. From 2005 the effective operation of the internal control measures incorporated in the system is further recorded and monitored. The Audit Committee is being informed of these developments. The formulated risk analysis of the operational and financial objectives of the company were further formalised in 2006. The defined risks and control measures were reassessed in 2007 in response to the changed size of Super de Boer, its decision to focus on a single store format and also various external factors. This process was completed by the end of the year.

The French company Casino Guichard-Perrachon S.A. ('Casino') is a major shareholder in Super de Boer, with a holding of approximately 57% of the issued share capital. Until mid-February 2008 Casino had an interest in Super de Boer of approximately 45%. Casino has a call option on 7,157,725 Super de Boer shares held by three Dutch banks. If it were to exercise the call option in full, Casino would be able to raise its total holding in Super de Boer to approximately 63%. The call option can be exercised between 1 January 2008 and 31 March 2009 after which it will lapse. Casino is listed on the Euronext Paris stock exchange and is a large European retailer.

A corporate governance agreement was signed at the time Casino became a major shareholder in the company and it partly determines the extent to which Super de Boer can comply with the Code. Since and as long as it holds a majority interest in the company, Casino is entitled to nominate the majority of the members of the Supervisory Board. The other members of the Supervisory Board, including the chairman, must be independent of Casino. It has also been agreed with Casino that at least one member of the Supervisory Board will not be appointed on the nomination of Casino or on the basis of the enhanced right of recommendation of the works council. The chairman of the Supervisory Board must be a resident of the Netherlands. Casino is entitled to nominate the CEO of Super de Boer and candidates for other senior positions at Super de Boer. The CEO of Super de Boer must be a resident of the Netherlands. Provided Casino has a majority interest and if requested by the supervisory board members nominated by Casino, the Supervisory Board will, in accordance with its rules, approve any proposal by a member of the Board of Management to amend the articles of association so as to allow the full large company regime of the company to be replaced by a mitigated large company regime. If the latter structure is introduced, the right to nominate members for appointment as members of the Board of Management will be vested in the shareholders' meeting rather than in the Supervisory Board. Casino has advised Super de Boer that it will support a resolution to be submitted to the General Meeting of Shareholders on 14 May 2008 for the existing the full large company regime to be continued.

The corporate governance arrangements between Super de Boer and Casino will lapse if Casino directly or indirectly holds less than 20% of the issued share capital of Super de Boer for a period of three consecutive months. The most important other elements of the corporate governance arrangements between the company and Casino were published in the Prospectus of 9 November 2004.

Without prejudice to the prescribed approval of the General Meeting of Shareholders that is also required in a number of cases, certain decisions by the Board of Management require the approval of the Supervisory Board of Super de Boer, including decisions on:

- issuing shares, restricting or excluding pre-emption rights, granting options;
- entering into or terminating joint ventures, if the joint venture or its termination is of fundamental significance for Super de Boer;
- acquiring a participating interest with a value of at least 25% of the issued share capital plus reserves of Super de Boer, and the significant expansion or reduction of such a holding;
- making investments with a value of at least 25% of the issued share capital plus reserves of Super de Boer or a value of at least € 5 million;
- proposals for amendments to the articles of association, winding up the company and reducing the share capital;
- applying for suspension of payments or bankruptcy;
- terminating the employment or making major changes to the terms of employment of a significant number of Super de Boer's employees;
- proposals for a significant change in Super de Boer's commercial strategy; and
- further, significant decisions relating to Super de Boer's subsidiaries.

Decisions by the Supervisory Board are taken by an absolute majority of votes in a meeting. With regard to transactions involving conflicts of interests with shareholders holding 10% or more of Super de Boer's share capital, the company complies with best-practice provisions III.6.1 to III.6.5 inclusive where these transactions do not form part of the day-to-day running of the business.

The sole member of the Board of Management of Super de Boer is Mr J.G.B. Brouwer. The other members of the Group Management Board are not member of the Board of Management of the company (see page 7 of this Annual Report for the present full composition of the Group Management Board).

Bearing in mind the comments made in this section, the Supervisory Board and Board of Management of Super de Boer apply the principles and best-practice provisions of the Code, with the exception of the points set out below.

The Dutch Corporate Governance Code

II.2.1 / II.2.2

'Options to acquire shares are a conditional remuneration component, and become unconditional only when the management board members have fulfilled predetermined performance criteria after a period of at least three years from the grant date.
If the company, notwithstanding best-practice provision II.2.1, grants unconditional options to management board members, it shall apply performance criteria when doing so and the options should, in any event, not be exercised in the first three years after they have been granted.'

Mr Brouwer's options remuneration is described in more detail on pages 28 and 29 (Remuneration report – Employment contract of Mr Brouwer). No performance criteria apply for the options granted to Mr Brouwer. The options cannot be exercised in the first four years after they have been granted, except in the case of a change of control.

II.2.6

'The supervisory board shall draw up regulations concerning ownership of and transactions in securities by management board members, other than securities issued by their 'own' company. The regulations shall be posted on the company's website.
A management board member shall give periodic notice, but in any event at least once a quarter, of any changes in his holding of securities in Dutch listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the chairman of the supervisory board. A management board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement is exempted from compliance with this last provision.'

Super de Boer does not apply this provision, as the objectives of this best-practice provision are addressed by the Financial Supervision Act and the regulations for listed companies relating to trade in the company's own shares.
For some years, Super de Boer has had regulations for 'insiders' on the ownership of and transactions in Super de Boer securities. In 2007 the company revised its rules in line with the new legislation.

II.2.7

'The maximum remuneration in the event of dismissal is one year's salary (the 'fixed' remuneration component). If the maximum of one year's salary would be manifestly unreasonable for a management board member who is dismissed during his first term of office, such board member shall be eligible for a severance pay not exceeding twice the annual salary.'

Mr Brouwer's terms of employment are described in more detail on pages 28 and 29 (Remuneration report – Employment contract of Mr Brouwer). Mr Brouwer's severance scheme is directly linked to the contract term and provides for severance pay in the event of involuntary dismissal (or termination of the employment contract by either party in the event of a change of control) equal to the base salary for the remaining contract period, plus one third thereof. In the event of involuntary dismissal (or termination of the employment contract by either party in the event of a change of control) in the final year of the contract term, the severance pay amounts to one year's base salary plus one third of this amount. Super de Boer regards the terms of employment agreed with Mr Brouwer as reasonable in view of his former position outside the Super de Boer organisation and the situation at the company at the time when he joined the company. Mr Brouwer's appointment as member of the Board of Management and his employment contract are currently for terms of four years until 2010.
As stated on page 29, the Supervisory Board plans to extend Mr Brouwer's employment contract and his appointment as a member of the Board of Management by a period of one year, with the terms and conditions of his contract remaining unchanged, except for this extension being disregarded for the purposes of calculating the severance pay due if his employment contract is terminated as a result of a change of control. As well as with respect to the bank guarantee referred to on page 28.

II.2.14

'The company shall state in the notes to the annual accounts, in addition to the information to be included pursuant to article 2:383d of the Civil Code, the value of any options granted to the management board and the personnel and shall indicate how this value is determined.'

Super de Boer applies this provision. But notes that the valuation of options as referred to here is highly arbitrary. There are currently no clear valuation rules for this.

III.2.1 j° III.2.2(f)
'All supervisory board members, with the exception of not more than one person, shall be independent within the meaning of best-practice provision III.2.2.

A supervisory board member shall be deemed to be independent if the following criteria of dependence do not apply to him. The said criteria are that the supervisory board member concerned or his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree:
f) is a member of the management board or supervisory board – or is a representative in some other way – of a legal entity which holds at least ten percent of the shares in the company, unless such entity is a member of the same group as the company.'

Super de Boer cannot comply with this provision. In the current situation, in which Casino owns a holding of approximately 57%, the majority of the Supervisory Board members will be appointed at the nomination of Casino. As explained above, this is based on the corporate governance agreements made in 2002 as part of the financial restructuring. These arrangements were published at that time in the Information Memorandum of 13 June 2002, the Prospectus of 9 July 2002 and in the Prospectus of 9 November 2004.

III.2.3
'The report of the supervisory board shall state that, in the view of the supervisory board members, best-practice provision III.2.1 has been fulfilled, and shall also state which supervisory board member is not considered to be independent, if any.'

Reference is made to the comments on III.2.1 j° III.2.2(f).

III.5
'Composition and role of three key committees of the supervisory board.

Principle: If the supervisory board consists of more than four members, it shall appoint from among its members an audit committee, a remuneration committee and selection and appointment committee. The function of the committees is to prepare the decision making of the supervisory board. If the supervisory board decides not to appoint an audit committee, remuneration committee or selection and appointment committee, best-practice provisions III.5.4, III.5.5, III.5.8, III.5.9, III.5.10, III.5.13, V.1.2, V.2.3 and V.3.1 shall apply to the entire supervisory board. In its report, the supervisory board shall report *on how the duties of the committees have been carried out in the financial year.'*

For practical reasons, Super de Boer has decided to operate with two committees, namely an Audit Committee and a Selection, Nomination and Remuneration Committee. This decision is justified amongst others by the fact that Super de Boer has a single-member Board of Management. The tasks that the Code sets for the remuneration committee and the selection and appointment committee will be performed at Super de Boer by the Selection, Nomination and Remuneration Committee.

III.7.3
'The supervisory board shall adopt a set of regulations containing rules governing ownership of and transactions in securities by supervisory board members, other than securities issued by their 'own' company. The regulations shall be posted on the company's website. A supervisory board member shall give periodic notice, but in any event at least once a quarter, of any changes in his holding of securities in Dutch listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the chairman of the supervisory board. A supervisory board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement is exempted from compliance with this last provision.'

Super de Boer does not yet apply this provision. For further information please see II.2.6.

IV.3.1
'Meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences shall be announced in advance on the company's website and by means of press releases. Provision shall be made for all shareholders to follow these meetings and presentations in real time, for example by means of webcasting or telephone lines. After the meetings, the presentations shall be posted on the company's website.'

Super de Boer applies this broadly formulated best-practice provision for press conferences and important meetings with analysts and/or investors in so far as they are organised by or on behalf of Super de Boer. In addition, Super de Boer applies this provision to its (General) Meetings of Shareholders.

IV.3.5
'The management board and the supervisory board shall provide the general meeting of shareholders with all requested information, unless this would be contrary to an overriding interest of the company. If the management board and the supervisory board invoke an overriding interest, they must give reasons.'

Super de Boer applies this provision in so far as the requests are relevant and the order of the meeting is not disturbed. If the Board of Management or Supervisory Board invoke an overriding interest this will be explained in so far as the explanation itself is not damaging to Super de Boer.

IV.3.7
'If a right of approval is granted to the general meeting of shareholders by law or under the articles of association of the company (e.g. in the case of option schemes, far-reaching decisions as referred to in article 2:107a Civil Code), or the management board or the supervisory board requests a delegation of powers (e.g. issue of shares or authorisation for the repurchase of shares), the management board and the supervisory board shall inform the general meeting of shareholders by means of a 'shareholders circular' of all facts and circumstances relevant to the approval, delegation or authorisation to be granted. The shareholders circular shall, in any event, be posted on the company's website.'

The Shareholders Circular will include sufficient, extensive notes on the agenda and set out the most relevant facts and circumstances in detail.

V.3.1
'The external auditor and the audit committee shall be involved in drawing up the work schedule of the internal auditor. They shall also take cognizance of the findings of the internal auditor.'

Super de Boer does not apply this provision, as it has no internal auditor.

Super de Boer implements the remainder of the Code, insofar as it applies to Super de Boer. For example, best-practice provisions III.8.1 to III.8.4 inclusive (one-tier management structure), IV.1.1 (cancelling a binding nomination) and IV.2.1 to IV.2.8 inclusive (depositary receipts for shares and the role of the trust office) do not apply and, therefore, need not be complied with. The same applies mutatis mutandis to the special obligations on institutional investors set out in the best-practice provisions IV.4.1 to IV.4.3 inclusive.

In so far as the Code conflicts with statutory provisions from which, for example, the articles of association cannot deviate, Super de Boer will apply the law. This also applies where Super de Boer is not in a position under its existing obligations or arrangements to amend its articles of association in line with the Code.

Explanatory notes by reason of the Decree, Article 10 of the Takeover Directive

By reason of the Decree of 5 April 2006 to implement article 10 of Directive 2004/25/EC of the European Parliament and the Council of the European Union of 21 April 2004 regarding public takeover bids, Super de Boer can provide the following explanation.

a. Capital structure of the company

The capital of the company consists of one class of shares, being ordinary shares. Information on issued shares has been included under explanatory notes no. 21 and 22 of the consolidated financial statements.

b. Restriction on transferring shares or issued depositary receipts

The articles of association of Super de Boer have no restriction with respect to the transfer of shares.

c. Duty to report interests in the company

Super de Boer has been notified on a number of shareholdings, in accordance with the Act on Financial Supervision. The notifications are listed on page 82 of this annual report. The shares held by the Banks are held in connection with Casino's call option.

d. Special controlling rights

Super de Boer has issued no shares with special controlling rights.

e. Employees' shares

Super de Boer currently does not hold any employee share scheme or option plan where the control rights are not exercised directly by the employees.

f. Restriction on voting right and issue of depositary receipts

No restrictions are currently imposed on voting rights attached to issued shares. Depositary receipts have not been issued.

g. Agreements with shareholders

As part of the financial restructuring in 2002, the company entered into a shareholders agreement with Casino. Full details were disclosed in the Prospectus dated 9 November 2004. Some elements are also discussed in the Corporate Governance Code section of this annual report (pages 20-25). Currently, Super de Boer is unaware of any other shareholder agreements.

h. Regulations pertaining to the appointment and dismissal of executive and supervisory directors and amendments to the articles of association

By virtue of article 14 of the articles of association, the Supervisory Board is authorised to suspend or dismiss members of the Board of Management. The Supervisory Board shall not dismiss a member of the Board of Management until the General Meeting of Shareholders ('AGM') has been heard regarding the intended dismissal. By virtue of article 21 of the articles of association, supervisory board members are appointed by the AGM, subject to nomination by the Supervisory Board. By virtue of article 41 of the articles of association, the articles of association can only be amended subject to approval from the Supervisory Board and the shareholders.

i. The powers of the board

By virtue of article 6 of the articles of association, the Board of Management is entitled to issue shares if and insofar the Board of Management has been appointed as a competent body by the AGM. The Board of Management requires with respect to the issuance of shares the approval of the Supervisory Board. The above is also applicable with respect to the granting of option rights. Acquisition is subject to authorisation granted to the Board of Management by the AGM. In the General Meeting of Shareholders held on 11 May 2007 the Board of Management has been appointed as the competent body to issue shares for a period of 15 months.

j. Important agreements when issuing a public bid

Currently, Super de Boer is aware of the following important agreements with a change of control clause:

- The amended and restated Credit Facility Agreement entered into between the company and the Banks on 2 November 2006, becomes repayable in case of a change of control unless the party involved is Casino;
- The subordinated loan agreement entered into between the company, Casino and the Banks on 2 November 2006, becomes repayable in case of a change of control unless the party involved is Casino.

k. Agreements with executive directors or employees in the event of a public bid

The employment contract with Mr Brouwer provides clauses that may cease his labour agreement in the event of a change of control (see remuneration report pages 28 and 29 of this annual report).

A remuneration policy was established for members of the Group Management Board with effect from 1 January 2005. This policy with respect to the Board of Management was adopted by the General Meeting of Shareholders on 12 May 2005 and aims to attract, motivate and retain highly qualified managers as members of the Group Management Board. The structure of the remuneration package takes the company's short- and long-term strategic performance into account. In determining the remuneration policy, the Supervisory Board carefully considered the strategic ambitions and culture of the company, as well as Dutch market practice and the Dutch Corporate Governance Code.

The remuneration policy is based on the principle that the total compensation level is benchmarked against the relevant market in which Super de Boer competes for talent (labour market peer group). The compensation level should be broadly in line with the median level of the labour market peer group.

The total compensation consists of:

- a base salary, which should be broadly in line with the median level of the labour market peer group;
- a total variable compensation, which should be broadly in line with the median level of the labour market peer group. The short- and long-term incentives can vary between the first quartile and third quartile level of the labour market peer group.

Full details of the remuneration policy were provided in the 2005 Annual Report and are published on Super de Boer's corporate website.

Mr J.G.B. Brouwer was appointed Chairman of the Board of Management/CEO from 6 November 2006. Individual employment conditions were agreed with him at the time of his appointment, also because of his former position outside Super de Boer and the company's situation at the time of appointment. These conditions deviate from the remuneration policy. Details of Mr Brouwer's employment conditions were presented to the Extraordinary General Meeting of Shareholders on 3 November 2006. The remuneration policy remains applicable for the evaluation of employment conditions of possible future members of the Board of Management. The main details of Mr Brouwer's employment conditions are explained below.

Employment contract of Mr Brouwer

The employment contract with Mr Brouwer has been entered into for a definite period of time, being four years, which is in line with the Dutch Corporate Governance Code. This contract can be terminated by both parties, subject to a notice period of six months for the company and three months for Mr Brouwer. It has also been agreed that in the event of early termination – other than the resignation of Mr Brouwer or instant dismissal for urgent cause – the base salary will be paid for the remaining period of the contract. Payment of the remaining base salary has been secured through a bank guarantee.

At the time of Mr Brouwer's appointment in November 2006, the base salary, including the 8% holiday allowance, was set at € 495,000 a year. It has been contractually agreed to index the base salary each year. In 2007 Mr Brouwer's base salary, including the 8% holiday allowance, amounted to € 495,000.

Under the terms of his employment contract, Mr Brouwer is entitled to receive a performance bonus. This bonus, which will be determined by the Supervisory Board at its discretion and is based on the achievement of annual targets, amounts to between one third and two thirds of his base salary. Each year the Supervisory Board will determine the conditions applying to the bonus and the way in which it is to be calculated.

On proposal of the Selection, Nomination and Remuneration Committee, the Supervisory Board has set Mr Brouwer's performance bonus for 2007 at € 330,165, being 66.7% of the base salary for 2007 (2006: € 41,209, which was 50% of two months' base salary for 2006). The conditions and criteria used by the Supervisory Board to determine the annual bonus for 2007 consisted of a series of financial targets and personal operational and strategic targets. The financial targets had a combined weighting of 40%, while the personal operational and strategic targets had a combined weighting of 60%. The Supervisory Board will also take financial targets and personal operational and strategic targets into account when determining the performance bonus payable for 2008, when the financial targets will have a weighting equal to that of the personal operational and strategic targets. In view of their sensitive nature and also for competitive reasons, no further information will be provided on these targets.

Mr Brouwer was granted 200,000 options at the time of his appointment. These may be exercised after a period of four years (or earlier in the event of a change of control[1]). The shareholders confirmed and approved the granting of these options at their General Meeting of Shareholders on 11 May 2007.
The Supervisory Board announced in 2007 that it wished to grant options to both the member of the Board of Management and the other members of the Group Management Board in 2008. In line with this intention, the Supervisory Board

resolved on 5 March 2008 to award a further 200,000 options to Mr Brouwer on the same terms and conditions as previously, subject to approval by the shareholders pursuant to Section 135 of Book 2 of the Dutch Civil Code. The shareholders will be requested to give the required approval on 14 May 2008. It has been decided to grant options because this form of remuneration focuses more specifically than any other on creating shareholder value. In the same way as the options awarded to Mr Brouwer on appointment, the 200,000 additional options conditionally granted on 5 March 2008 are not dependent on his satisfying specific performance criteria since the Supervisory Board believes that the long-term development in the company's share price is the best way of measuring long-term performance. Along with the grant of additional options to Mr Brouwer, a total of 455,000 options were conditionally granted to the other members of the Group Management Board in 2008.

The following table summarises the details of the options granted to Mr Brouwer at the time of this appointment in 2006, as well as those granted to him conditionally by the Supervisory Board in March 2008 and subject to approval by the shareholders.

Date awarded	Number of options	Vesting date	Exercise price
6 November 2006	200,000	6 November 2010[2]	€ 1.97[3]
5 March 2008	200,000	6 November 2011[2]	€ 3.78[4]

The severance payment of Mr Brouwer is directly linked to the term of his contract. The contract provides for compensation in the event of involuntary dismissal (or termination of the employment contract by one of the parties in the event of a change of control) equal to the base salary for the remaining contract term plus one third. In the fourth year of the employment contract, a severance payment of one year's base salary plus one third will apply.

A defined contribution pension plan is in place for Mr Brouwer. His pension base is € 380,000 per annum, with Super de Boer paying two thirds of the pension costs. This arrangement is in line with applicable arrangements for other employees and an assessment of the external labour market.

The Supervisory Board plans to extend Mr Brouwer's employment contract and his appointment as a member of the Board of Management by a period of one year, with the terms and conditions of his contract remaining unchanged, except for this extension being disregarded for the purposes of calculating the severance pay due if his employment contract is terminated as a result of a change of control and the abovementioned bank guarantee not being extended. Before doing so, the Supervisory Board will notify the General Meeting of Shareholders of its intention to extend Mr Brouwer's contract in according with the articles of association.

1 The transfer of all or the majority of the Super de Boer shares or the transfer of all or the majority of Super de Boer's assets to one or more third parties.
2 Or directly in the event of a change of control.
3 Being the share price on the date of his entering into the contract of employment.
4 Being the weighted average share price over a period of 31 stock market trading days ending on 5 March 2008.

2007

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Consolidated income statement

(in millions of euro)	note	2007	2006
Revenue	3	1,858	2,894
Cost of sales		(1,604)	(2,441)
Gross profit		**254**	**453**
Other operating income	4	27	115
Selling expenses	5	(197)	(421)
General and administrative expenses		(63)	(177)
Result from operating activities		**21**	**(30)**
Finance income	7	2	3
Finance expense	7	(13)	(18)
Net financing costs		**(11)**	**(15)**
Share of the profit or loss of joint ventures and associates	13	-	-
Result before income tax		**10**	**(45)**
Income tax	8	-	-
Result for the period		**10**	**(45)**
Attributable to:			
Equity holders of Super de Boer N.V.		10	(45)
Minority interest		-	-
Result for the period		**10**	**(45)**
Basic earnings per ordinary share (in euros)	22	0.09	(0.39)
Diluted earnings per ordinary share (in euros)	22	0.09	(0.39)
Revenue sales of goods		1,799	2,745
Revenue services		59	149
Total Revenue		**1,858**	**2,894**

Consolidated statement of recognised income and expense

(in millions of euro)

	note	2007	2006
Share based payments		-	1
Net income recognised directly in equity		**-**	**1**
Result for the period		**10**	**(45)**
Total recognised income and expense for the period	21	**10**	**(44)**
Attributable to:			
Equity holders of Super de Boer N.V.		10	(44)
Minority interest		-	-
Total recognised income and expense for the period		**10**	**(44)**

Consolidated balance sheet (before proposed profit appropriation)

(in millions of euro)

	note	30 December 2007	31 December 2006
Assets			
Property, plant and equipment	10	114	117
Goodwill	11	20	22
Other intangible assets	12	6	6
Investment in associates	13	2	2
Investment property	14	24	28
Other investments	15	-	1
Loans and amounts receivable	16	15	18
Deferred tax assets	17	13	15
Total non-current assets		**194**	**209**
Inventories	18	57	65
Income tax receivable	9	6	6
Trade and other receivables	19	59	114
Cash and cash equivalents	20	17	52
Assets classified as held for sale	2	10	36
Total current assets		**149**	**273**
Total assets		**343**	**482**
Equity			
Issued capital		149	149
Share premium		518	518
Retained earnings		(616)	(626)
Total equity attributable to equity holders of Super de Boer N.V.	21	**51**	**41**
Minority interest		**-**	**-**
Total equity		**51**	**41**
Liabilities			
Interest-bearing loans and borrowings	23	73	99
Employee benefits	24	13	18
Provisions	25	26	39
Deferred tax liabilities	17	13	15
Total non-current liabilities		**125**	**171**
Bank overdrafts	23	21	31
Current tax payables		9	15
Trade and other payables	26	103	159
Provisions and employee benefits	25	34	65
Total current liabilities		**167**	**270**
Total liabilities		**292**	**441**
Total equity and liabilities		**343**	**482**

Consolidated statement of cash flows

(in millions of euro)

	note	2007	2006
Cash flows from operating activities			
Result for the period		10	(45)
Adjustments for:			
Depreciation and amortisation		26	43
Impairment losses		2	16
Interest income		(2)	(3)
Interest expense		13	18
Gain on sale of property, plant and equipment		-	(4)
Repayment loan Spain		-	(20)
Gain on sale divested assets		(27)	(91)
Shared based payments		-	(1)
Income tax expense		-	-
Operating profit before changes in working capital and provisions		**22**	**(87)**
Movement in inventories	18	8	47
Movement in trade and other receivables	2, 19	59	(7)
Movement in trade and other payables		(64)	(122)
Movement in provisions and employee benefits		(49)	60
Cash generated from operations		**(24)**	**(109)**
Interest paid	7	(11)	(15)
Income taxes paid		-	-
Net cash from operating activities		**(35)**	**(124)**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		56	352
Proceeds from sale of intangible fixed assets		6	18
Proceeds from sale of other investments	15	1	-
Proceeds from sale of inventories Edah and Konmar		-	42
Redemptions loans and amounts receivable	16	20	19
Redemption loan Spain		-	20
Interest received	7	2	3
Acquisition of property, plant and equipment	10	(28)	(31)
Acquisition in intangible fixed assets	11, 12	(4)	-
Granted loans and amounts receivable	16	(17)	(18)
Net cash from investing activities		**36**	**405**
Cash flows from financing activities			
Repayment of borrowings	23	(37)	(270)
Payment of finance lease liabilities	23	1	(9)
Net cash flow used in financing activities		**(36)**	**(279)**
Net increase in cash and cash equivalents	20	(35)	2
Cash and cash equivalents at beginning of period		52	50
Cash and cash equivalents at end of period	20	**17**	**52**

The consolidated cash flow statement is prepared in accordance with the indirect method, in which the result after income tax in the net cash flow from operating activities is adjusted for the income statement items that do not lead to income or expenditure during the financial year. As part of the divestment of Edah and Konmar, cash in stores for an amount of € 13 million was transferred to the purchasers and reimbursed to Super de Boer by the purchasers for the same amount.

I Reporting entity

Super de Boer N.V. (the 'Company') is a company domiciled in the Netherlands. The address of the Company's registered seat and actual office is Disketteweg 2-4, 3821 AR Amersfoort. The Company has 13 reporting periods in a calendar year. The consolidated financial statements of the Company for the year ended 30 December 2007 (started 1 January 2007) comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in associates and jointly controlled entities. The Group primarily is involved in operating supermarkets (see note 1).

II Basis of preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU-IFRS).

The consolidated financial statements were authorised for issuance by the Supervisory Board and Board of Management on 9 April 2008.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value;
- Financial instruments held for trading are measured at fair value;
- Financial instruments classified as available-for-sale are measured at fair value;
- Non-current assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The methods used to measure fair values are discussed further in note IV.

c) Functional and presentation currency

These consolidated financial statements are presented in euro, which is the Company's functional currency. All financial information presented in euro has been rounded to the nearest million unless otherwise stated.

d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

- Note 8, 17 – Income tax, deferred tax assets and liabilities;
- Note 11 – Goodwill;
- Note 24 – Employee benefits;
- Note 25 – Provisions.

III Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(ii) Associates and joint ventures (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

c) Financial instruments

(i) Derivative financial instruments

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. The Group does not apply hedge accounting.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

(ii) Share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as retained earnings and are presented as a deduction from total equity.

d) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of certain items of property, plant and equipment at 1 January 2004, the date of transition to IFRSs, was determined by reference to its fair value at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised in profit or loss as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

(ii) Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete, at which time it is reclassified as investment property.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iv) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives are as follows:

- buildings
  - structure 50 years
  - roof/surfacing 15 years
  - other components 10 – 20 years
- plant and equipment 10 - 20 years
- fixtures and fittings 8 - 10 years

Depreciation methods, useful lives and residual values are reviewed at the reporting date.

e) Intangible assets

(i) Goodwill

Goodwill (negative goodwill) arises on the acquisition of subsidiaries, associates and joint ventures.

Acquisitions prior to 1 January 2003

As part of its transition to IFRSs, the Group elected to restate only those business combinations that occurred on or after 1 January 2003. In respect of acquisitions prior to 1 January 2003, goodwill represents the amount recognised under the Group's previous accounting framework, Dutch GAAP.

Acquisitions on or after 1 January 2003

For acquisitions on or after 1 January 2003, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Software: 3 – 7 years
- Right of establishment: 10 years

f) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. For the accounting policy refer to 'property, plant and equipment'.

If an investment property becomes owner-occupied, then it is reclassified as property, plant and equipment.

g) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Group's balance sheet.

h) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy k).

i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

k) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost less impairment losses.

n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss as incurred.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit post-employment plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

All actuarial gains and losses at 1 January 2004, the date of transition to IFRSs, were recognised. The Group recognises actuarial gains and losses that arise subsequent to 1 January 2004 using the corridor method. Under the corridor method, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10 percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in profit or loss over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

When the calculation results in plan assets exceeding liabilities to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any currently available future refunds from the plan or reductions in future contributions to the plan.

(iii) Other long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than post-employment plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations.

(iv) Share-based payment transactions

The share option programme allows Group employees to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a binomial lattice model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

(ii) Site restoration

A provision for site restoration is recognised when there is a legal obligation to restore leased premises to it's original condition. The (discounted) amount of the provision is included in the costs of the property, plant and equipment and depreciated separately.

(iii) Onerous contracts
A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

p) Trade and other payables
Trade and other payables are stated at cost.

q) Revenue
(i) Goods sold
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

(ii) Services
Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(iii) Commissions
When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(iv) Rental income
Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(v) Government grants
Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

r) Lease payments
Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

s) Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets) and dividend income. Interest income is recognised as it accrues in profit and loss, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings and unwinding of the discount on provisions.
All borrowing costs are recognised in profit or loss using the effective interest method.
Foreign currency gain and losses are reported on a net basis.

t) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income tax levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

u) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

v) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended 30 December 2007, and have not been applied in preparing these consolidated financial statements. The most relevant are:

- IFRS 8 Operating Segments introduces the 'management approach' to segment reporting. IFRS 8, which becomes mandatory for the Group's 2009 financial statements, will require the disclosure of segment reporting based on the internal reports regularly reviewed by the Group Management Board in order to assess each segment's performance and to allocate resources to them. Currently the Group presents no segment information (see note 1). The Company does not expect IFRS 8 to have an impact on the current segmentation approach.
- Revised IAS 23 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the Group's 2009 financial statements and will constitute a change in accounting policy in the Group. In accordance with the transition provisions the Group will apply the revised IAS 23 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date.
- IFRIC 13 Customer Loyalty Programmes addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes for their customers. It relates to customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13, which becomes mandatory for the Group's 2009 financial statements, is not expected to have any impact on the consolidated financial statements.
- IFRIC 14 IAS 19 The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements (MFR) on such assets. It also addresses when a MFR might give rise to a liability. IFRIC 14 will become mandatory for the Group's 2008 financial statements, with retrospective application required. The Group does not expect IFRIC 14 to have any impact on the consolidated financial statements.

IV Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

(ii) Intangible assets

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Investment property

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

(iv) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(v) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(vi) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

(vii) Share-based payment transactions

The fair value of employee stock options and performance share plan shares are measured using a binomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

V Financial risk management

Overview

The Company has exposure to a number of risks from its use of financial instruments, such as:

- credit risk;
- liquidity risk;
- market risk;
- currency risk;
- capital management.

This note presents information about Super de Boer's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these consolidated financial statements, including note 27 with respect to financial instruments and note 23 with respect to interest bearing loans and borrowings.

The Group Management Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by Super de Boer, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Super de Boer activities. Furthermore Super de Boer aims, through its training and management standards and procedures, to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the receivables – trade receivables and loans granted – from affiliated retailers. The credit risk in relation to these receivables are influenced mainly by the individual characteristics of each affiliated retailer.

Super de Boer has established a credit policy under which each new affiliated retailer is analysed individually for creditworthiness before the Company's enters into a franchise agreement. The review may include external ratings, when available, and bank references. Purchase limits are established for each customer. These limits are reviewed frequently. In case an affiliated retailer exceeds its credit limit, the Company's regional team will discuss such event, including the measures to reduce the exposure for Super de Boer. In accordance with the agreement between Super de Boer and the affiliated retailer Super de Boer ultimately can acquire the store operation in order to limit its exposure. Although Super de Boer has the possibility to off-set the receivable with the proceeds related to the acquisition, not in all cases the full amount will be recovered. In case the store is acquired, it can be operated as an own store or Super de Boer seeks for an other affiliated retailer to operate such locations.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Liquidity risk

Liquidity risk is the risk that Super de Boer will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Super de Boer's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash-flow requirements. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses based on a detailed cash-flow planning. Super de Boer has credit facilities to cover its cash-flow needs (see note 23).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that may affect Super de Boer's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market-risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is limited exposed to currency risk on purchases that are denominated in a currency other than the functional currency of Super de Boer (euro). Only a limited value of purchasing is nominated in other currencies, mainly US Dollar.

Capital management

Super de Boer's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group Management Board monitors the return on capital, which is defined as net operating income divided by total shareholders' equity.
There were no changes in the Group's approach to capital management during the year.

1. Segment reporting

IAS 14 – Segment reporting prescribes that under IFRSs a company should assess whether it can identify segments within its operations that qualify as a reportable segment in its financial reporting due to a different character from a risk and rewards point of view. Based on standard IAS 14 and the factual circumstances of the Super de Boer operations, it is concluded that the Super de Boer operations is not required to be segmented. The Company's main considerations are discussed from a business and geographical point of view respectively by the key elements of the definitions in IAS 14.9.

Business segment

Super de Boer operates both stores for its own account and stores which are operated by affiliated retailers (franchisees). This is not considered to be a separate segment since the operational structure of Super de Boer does not support such a distinction. For example the nature of products offered within the Super de Boer stores and store lay-out is similar regardless the way the store is operated. Also the methods used to distribute the products is the same for all Super de Boer stores. The logistic structure within the Super de Boer organisation is based on the type of goods sold (mainly chilled/frozen, slow-movers and fast-movers). Moreover the operational structure of Super de Boer does not make a distinction between own stores and stores operated by franchisees. Each store is supported by the same operational team which is based in a specific region in the Netherlands. Furthermore it can be stated that in general the long-term objectives both for stores operated by Super de Boer and stores operated by affiliated retailers are substantially similar which is evidenced by the fact that all capital expenditures need approval by the same approval committee and finally the real estate department of Super de Boer is in principle responsible for the acquisition of all store locations regardless whether the locations will be exploited as an own store or a franchisee store.

Geographical areas

Super de Boer operates in the Netherlands and therefore the economical and political conditions, besides small regional differences, are similar for the entire market. There is no relationship between operations in different geographical areas as Super de Boer has an active portfolio-management in order to have the right stores given local circumstances rather than regional or provincial circumstances. The logistic network is organised on a cost efficiency basis.

2. Assets classified as held for sale

(in millions of euro)

	2007	2006
Land and buildings	10	15
Plant and equipment	-	8
Fixtures and fittings	-	7
Trade debtors	-	4
Goodwill	-	2
Assets classified as held for sale	**10**	**36**

For the period ended 30 December 2007 the assets classified as held for sale mainly contain the assets of five store locations for which the carrying amount will be recovered principally through a sale transaction. These assets are available for immediate sale in its present condition and Super de Boer actively seeks for buyers for these premises.

An impairment loss of € 1 million on the remeasurement of the assets held for sale to the lower of its carrying amount and its fair value less costs to sell has been recognised in General and Administrative expenses.

3. Revenue

(in millions of euro)

	2007	2006
Sales of goods	1,799	2,745
Investment property rentals	41	58
Other services	18	91
Revenue	**1,858**	**2,894**

4. Other operating income

(in millions of euro)

	2007	2006
Gain on disposal of assets held for sale and property, plant and equipment	27	93
Repayment Loan Spain	-	20
Other	-	2
Other operating income	**27**	**115**

5. Selling expenses

The selling expenses comprise the direct costs related to sales and promotional activities, costs allocated to stores and other operating expenses including the following components:

(in millions of euro)

	note	2007	2006
Impairment loss on goodwill	11	1	-
Impairment loss on trade receivables	19	4	15

6. Personnel expenses

(in millions of euro)

	2007	2006
Wages and salaries	131	248
Compulsory social security contributions	17	34
Contributions to pension plans	17	19
Costs of share-based payment	1	1
Personnel expenses	**166**	**302**

End 2007, there were 9,019 employees compared with 10,503 end 2006. Expressed as full-time equivalents, they represented 3,819 FTEs compared with 4,542 in 2006. All personnel is employed in the Netherlands.

7. Finance income and expense

(in millions of euro)

	2007	2006
Interest income	2	3
Finance income	**2**	**3**
Interest expense	(10)	(21)
Net change in fair value of financial assets or liabilities at fair value through profit or loss	(3)	3
Finance expense	**(13)**	**(18)**
Net finance costs recognised in profit or loss	**(11)**	**(15)**

8. Income tax expense

(in millions of euro)

	note	2007	2006
Current tax expense			
Current year		3	-
Adjustments for prior years		-	-
		3	-
Deferred tax expense			
Origination and reversal of temporary differences		-	(2)
Impairment of tax losses recognised		-	2
Recognition of previously unrecognised tax losses		(3)	-
	17	(3)	-
Total income tax expense		**-**	**-**

Reconciliation of effective tax rate	2007	2007	2006	2006
Result before income tax		10		(45)
Income tax using the domestic corporation tax rate	25.5%	3	29.6%	(13)
Non-deductible expenses (goodwill impairment)	-	-	(8.9%)	4
Impairment deferred tax assets	-	-	(4.4%)	2
Recognition of previously unrecognised tax losses	(25.5%)	(3)	(15.6%)	7
Reconciliation of effective tax rate	**-**	**-**	**-**	**-**

9. Current income tax receivable

The current income tax receivable of € 6 million (2006: € 6 million) represents the amount of income taxes recoverable in respect of prior periods that exceed payments.

10. Property, plant and equipment

(in millions of euro)

	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost					
Opening balance 2006	113	276	330	53	772
Acquisitions	–	14	17	(4)	27
Transfer to investment property	(13)	–	–	–	(13)
Transfer to assets held for sale	(58)	(154)	(162)	(45)	(419)
Disposals	(3)	(34)	(45)	–	(82)
Other movements	–	–	–	–	–
Closing balance 2006	**39**	**102**	**140**	**4**	**285**
Opening balance 2007	39	102	140	4	285
Acquisitions	–	13	13	1	27
Transfer to investment property	1	(1)	–	–	–
Transfer to assets held for sale	1	1	2	–	4
Disposals	(1)	(11)	(24)	–	(36)
Other movements	3	(3)	(1)	–	(1)
Closing balance 2007	**43**	**101**	**130**	**5**	**279**
Depreciation and impairment losses					
Opening balance 2006	10	143	215	1	369
Depreciation charge for the year	2	13	20	–	35
Impairment losses	–	1	5	–	6
Transfer to investment property	(3)	–	–	–	(3)
Transfer to assets held for sale	(7)	(80)	(94)	–	(181)
Disposals	–	(18)	(38)	(1)	(57)
Other movements	–	–	(1)	–	(1)
Closing balance 2006	**2**	**59**	**107**	**–**	**168**
Opening balance 2007	2	59	107	–	168
Depreciation charge for the year	1	9	14	–	24
Impairment losses	–	–	–	–	–
Transfer to investment property	1	(1)	–	–	–
Transfer to assets held for sale	–	–	–	–	–
Disposals	–	(6)	(21)	–	(27)
Other movements	1	(1)	–	–	–
Closing balance 2007	**5**	**60**	**100**	**–**	**165**
Carrying amounts					
At 2 January 2006	103	133	115	52	403
At 31 December 2006	37	43	33	4	117
At 1 January 2007	37	43	33	4	117
At 30 December 2007	38	41	30	5	114

The book value of property, plant and equipment held under finance leases amounted to € 2 million (2006: € 1 million). The Company has the economic ownership of these assets, but is not the legal owner.

Security

At 30 December 2007 land and buildings with a carrying amount of € 28 million (2006: € 39 million) were provided as collateral to the financing institutes (see note 23).

There are no material differences between the fair value and the carrying amounts within property, plant and equipment.

11. Goodwill

(in millions of euro)

	2007	2006
Cost		
Opening balance	106	130
Acquisitions	3	-
Disposal	(4)	(22)
Transfered to assets held for sale	-	(2)
Closing balance	**105**	**106**
Amortisation and impairment losses		
Opening balance	84	86
Impairment charge	1	-
Disposal	-	(2)
Closing balance	**85**	**84**
Carrying amounts		
Opening balance	22	44
Closing balance	20	22
Amortisation and impairment charge		
Selling expenses	1	-

The Company performed an impairment test at year-end with respect to the goodwill. The outcome showed that no impairment occurred in 2007. The recoverable amount of the goodwill Groenwoudt is based on the higher of the fair value less costs to sell and the value in use. The impairment charge of 2007 relates to impairments of goodwill for individual Super de Boer stores.

In calculating the value in use, the future cash flows are discounted at 10%. The main assumptions can be summarised as follows:

- Sales increase of 3%;
- A gradual increase of contribution margin;
- A residual value of 19% of consumer sales.

12. Other intangible assets

(in millions of euro)

	2007	2006
Cost		
Opening balance	35	54
Acquisitions	1	4
Disposal	-	(23)
Closing balance	**36**	**35**
Amortisation and impairment losses		
Opening balance	29	34
Amortisation for the year	1	8
Impairment charge	-	10
Disposal	-	(23)
Closing balance	**30**	**29**
Carrying amounts		
Opening balance	6	20
Closing balance	6	6
Amortisation and impairment charge		
General and administrative expenses	1	18

The other intangible assets include third-party and internally developed software amounting € 6 million in 2007 (2006: € 6 million).

13. Investment in associates

(in millions of euro)

	Country	Ownership 2007	Ownership 2006
Stichting Rocks	Netherlands	50%	50%

	Assets	Liabilities	Equity	Revenues	Profit/(loss)
2007					
Stichting Rocks	22	19	3	13	(1)

The valuation of the joint venture Stichting Rocks end 2007 is based on the most recent information available, being the unaudited preliminary financial information of year-end 2007.

14. Investment property

(in millions of euro)

	2007	2006
Cost		
Opening balance	35	26
Acquisitions	-	-
Transfer to assets held for sale	3	-
Transfer from property, plant and equipment	-	13
Disposals	(9)	(4)
Closing balance	**29**	**35**
Depreciation and impairment losses		
Opening balance	7	5
Depreciation charge for the year	1	-
Impairment losses	-	-
Transfer to assets held for sale	-	-
Transfer from property, plant and equipment	-	3
Disposals	(3)	(1)
Closing balance	**5**	**7**
Carrying amounts		
Opening balance	28	21
Closing balance	24	28

Investment property comprises mainly a number of commercial properties that are leased to third parties.

The total rental income regarding investment property amounted € 2 million in 2007 (2006: € 2 million).
The direct operating expenses arising from investment property that generated rental income during the period amounts € 1 million in 2007 (2006: € 1 million) and contains mainly depreciation costs.

15. Other investments

(in millions of euro)

	2007	2006
Non-current investments		
Participations	-	1
	-	**1**

The other investments consisted of a participation valued at historical costs as their fair value could not be measured reliable. In 2007 this participation has been divested.

16. Loans and amounts receivable

(in millions of euro)

	2007	2006
Interest-bearing loans, amounts receivable and guarantee deposit	15	18

Loans and amounts receivable contain interest-bearing loans granted to affiliated retailers with a term of more than one year.

Movement provision loans and amounts receivable

(in millions of euro)

	2007	2006
Opening balance	7	1
Impairment loss recognised	4	6
Withdrawals	(1)	-
Closing balance	**10**	**7**

17. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(in millions of euro)	Assets		Liabilities		Net	
	2007	2006	2007	2006	2007	2006
Tax loss carry-forwards	13	14	-	-	13	14
Loans and amounts receivable	-	1	-	-	-	1
Employee benefits	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Investment in associates	-	-	1	1	(1)	(1)
Provisions	-	-	1	2	(1)	(2)
Property, plant and equipment	-	-	11	12	(11)	(12)
Tax (assets)/liabilities	13	15	13	15	-	-
Set off of tax	-	-	-	-	-	-
Net tax (assets)/liabilities	**13**	**15**	**13**	**15**	**-**	**-**

Unrecognised deferred tax assets

On 30 December 2007, a deferred tax asset of some € 70 million (2006: € 84 million) relating to unused tax losses has not been recognised because future positive taxable profits are uncertain. The unrecognised deferred tax asset split to the relevant tax years is as follows (in round figures): € 27 million in 2003, € 15 million in 2004, € 20 million in 2005 and € 8 million in 2006.

(in millions of euro)	Opening balance 2006	Recognised in income	Closing balance 2006
Tax loss carry-forwards	17	(3)	14
Loans and amounts receivable	1	-	1
Employee benefits	-	-	-
Trade and other payables	-	-	-
Goodwill	-	-	-
Investment in associates	(1)	-	(1)
Provisions	(1)	(1)	(2)
Property, plant and equipment	(16)	4	(12)
Movement in temporary difference during the year	**-**	**-**	**-**

(in millions of euro)	Opening balance 2007	Recognised in income	Closing balance 2007
Tax loss carry-forwards	14	(1)	13
Loans and amounts receivable	1	(1)	-
Employee benefits	-	-	-
Trade and other payables	-	-	-
Goodwill	-	-	-
Investment in associates	(1)	-	(1)
Provisions	(2)	1	(1)
Property, plant and equipment	(12)	1	(11)
Movement in temporary difference during the year	**-**	**-**	**-**

18. Inventories

(in millions of euro)	2007	2006
Trading goods	57	63
Other	-	2
Inventories	**57**	**65**
Inventories valued at lower fair value less costs to sell	-	-
Carrying amount of inventories subject to retention of title clauses	-	-

19. Trade and other receivables

(in millions of euro)	2007	2006
Trade receivables	52	92
Other receivables and pre-payments	7	22
Trade and other receivables	**59**	**114**

Ageing trade receivables

(in millions of euro)

	2007		2006	
	Gross	Impairment	Gross	Impairment
Not past due	45	-	72	-
Past due 0-30 days	9	5	20	7
Past due 31-60 days	3	2	4	2
Past due 61-90 days	1	1	2	1
More than 90 days past due	43	41	53	49
Total	**101**	**49**	**151**	**59**

Movement provision trade receivables

(in millions of euro)

	2007	2006
Opening balance	59	74
Impairment loss recognised	4	15
Withdrawals	(14)	(30)
Closing balance	**49**	**59**

20. Cash and cash equivalents

(in millions of euro)

	2007	2006
Bank balances	-	35
Cash	6	6
Money in transit	11	11
Cash and cash equivalents	**17**	**52**

End 2006, bank balances included an amount of € 35 million relating to incoming cash from divestments that were not at free disposal of Super de Boer.

The Group's exposure to interest rate risk and a sensitivity analyses for financial assets and liabilities are disclosed in note 27.

21. Capital and reserves

(in millions of euro)

	Issued capital reserve	Share premium	Retained earnings	Total	Minority interest	Total equity
Opening balance 2006	149.1	518.0	(582.6)	84.5	-	84.5
Share based payments	-	-	1.2	1.2	-	1.2
Result for the period	-	-	(45.0)	(45.0)	-	(45.0)
Closing balance 2006	**149.1**	**518.0**	**(626.4)**	**40.7**	**-**	**40.7**
Opening balance 2007	149.1	518.0	(626.4)	40.7	-	40.7
Share based payments	-	-	0.7	0.7	-	0.7
Result for the period	-	-	9.6	9.6	-	9.6
Closing balance 2007	**149.1**	**518.0**	**(616.1)**	**51.0**	**-**	**51.0**

Pending the approval of the financial statements by the Annual General Meeting of Shareholders, it is proposed that the result after tax for 2007, amounting to € 9.6 million positive, be added to retained earnings.

On 30 December 2007, the authorised share capital comprises of 250 million ordinary shares (2006: 250 million) with a nominal value of € 1.30.

To cover commitments arising from employee option plans the Company holds 76,356 own shares (2006: 94,356 own shares) and which are part of the retained earnings.

22. Earnings per share

The calculation of basic earnings per share at 30 December 2007 was based on the profit attributable to ordinary shareholders of € 10 million (2006: € 45 million loss) and a weighted average number of ordinary shares outstanding of 114.6 million (2006: 114.6 million), calculated as follows:

(in millions of euro)

	2007	2006
Result for the period	10	(45)
Dividends on non-redeemable cumulative preference shares	-	-
Result attributable to ordinary shareholders	**10**	**(45)**

	2007	2006
Issued ordinary shares at opening balance	114,703,114	114,703,114
Effect of own shares held	(76,356)	(94,356)
Shares cancelled	-	-
Weighted average number of ordinary shares at period end	**114,626,758**	**114,608,758**

23. Interest bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency, see note 27.

(in millions of euro)	2007	2006
Non-current liabilities		
Subordinated loan	56	50
Secured bank loans	17	49
Finance lease liabilities	-	-
Loan from associate	-	-
	73	**99**
Current liabilities		
Current portion of secured bank loans	19	30
Current portion of finance lease liabilities	2	1
Unsecured bank facility	-	-
	21	**31**
Interest-bearing loans and borrowings	**94**	**130**

On 2 November 2006 Casino, the Banks and Super de Boer entered into a subordinated loan agreement with a total facility of € 50 million, which was fully drawn on 30 December 2007. This loan is subordinated in right of payment to all amounts owing to all other creditors of the Company. This facility has to be repaid on or before 20 May 2010. Interest payments due in the first two years will accrue to the subordinated loan. After two years the capitalised interest is to be paid in cash. No financial covenants have been agreed with respect to the subordinated loan.

On 2 November 2006 the Banks and Super de Boer entered into an amended and restated Credit Facility. On 28 December 2007 some lines have been reduced in view of the performance of Super de Boer and finalisation of the reorganisation. The facilities following this agreement and reduction can be summarised as follows:

- A € 75 million revolving facility (end 2006: € 100 million). An amount of € nil million has been drawn under this facility at the end of 2007. This facility has to be repaid on or before 20 November 2009.
- A € 50 million overdraft facility. An amount of € 19 million has been drawn under this facility at the end of 2007. This facility has to be repaid on or before 20 November 2009.
- The back up facility Spain has been cancelled. End 2006 the facility amounted to € 20 million. An amount of nil was drawn under this facility at the end of 2006. The use of this facility was restricted to payments relating to the former Spanish operations.

In respect of the abovementioned restated Credit Facility a number of covenants have been agreed. The covenants are based on the business plan and vary over the planning period and will be tested on a quarterly basis.

The most important can be summarised as follows:

- A Consolidated EBITDA covenant on a 12-months rolling forward basis.
- An EBITDA covenant of the Super de Boer banner on a quarterly basis.
- A Guarantee Cover being the total of shareholders' equity and subordinated debt which should exceed nil at the end of each measurement period.
- Capital expenditures must not exceed or deviate from the capital expenditures in the business plan.

The following security has been provided in connection with the credit facilities:
- A mortgage on the real estate of the Dutch companies;
- A pledge on the shares, receivables and intellectual property of all the group companies;
- A pledge on the inventories, group-receivables and bank deposits from the Dutch companies;
- A pledge on the assets of the Belgian company;
- A pledge not to encumber assets with a pari passu undertaking and assumption of joint and several liability by the company and its group companies.

All financing is dominated in euros. Interest rates are primarily linked to Euribor.

The long-term secured bank loans relate to a financing arrangement amounting to € 17 million in respect of certain premises. These premises have been provided as collateral to the financing institutes. The carrying amount of these premises amounts approximately € 28 million (2006: € 39 million). The maturity date of the loan is 22 December 2010.

Finance lease liabilities

(in millions of euro)

	2007			2006		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	2	-	2	1	-	1
Between one and five years	-	-	-	-	-	-
More than five years	-	-	-	-	-	-
	2	-	2	1	-	1

24. Employee benefits

Employee benefits in respect of pension plans of Super de Boer employees are administered by a number of entities. In general it can be stated that the pension plan of the overhead employees and pension rights in excess of the social security salary level ('SVW-loon') are administered by an independent legal entity formerly called Foundation Laurus Pension Fund, and renamed Foundation Pension Fund SDB ('Stichting Pensioenfonds SDB'), as of 20 December 2007. The pension plans of the remaining employees – mainly store and logistic personnel – are administered by multi-employer industry pension funds ('Bedrijfstak Pensioenfondsen').

The pension plan administered by the Foundation Pension Fund SDB qualifies as a defined benefit plan under IFRS. The benefit is based on the average pay over the service life ('middelloonregeling'). Pension right improvement (indexation) of employees born after 1949 can only be awarded through a conditional profit sharing arrangement. Surpluses of the fund are not attributable to Super de Boer.

With respect to the defined benefit schemes which are administered by industry pension funds actuarial calculations under IAS 19 have been requested but were not provided by the industry pension funds. As such these plans are treated as defined contribution plans. The recognised contribution to these schemes amounted € 3 million (2006: € 5 million).

The recognised costs for self-administered plans (mainly early retirement benefits) were € 5 million (2006: € 5 million). As of 17 December 2007 most of the early retirement benefit rights are administered by an independent legal entity called Foundation early retirement SDB ('Stichting vervroegd uittreden SDB'). The early retirement plan administered by this foundation qualifies as a defined benefit plan under IFRS.

Movements in the present value of defined benefit obligations

(in millions of euro)

	2007	2006
Defined benefit obligations on opening balance	345	364
Current service cost	13	13
Interest cost	16	15
Contributions paid by plan participants	2	4
Actuarial losses/(gains)	(27)	(38)
Benefits paid by the plan	(20)	(13)
Defined benefit obligations on closing balance	**329**	**345**

Movements in the fair value of plan assets

(in millions of euro)

	2007	2006
Fair value of plan assets on opening balance	412	404
Expected return on plan assets	15	14
Employer contributions paid	22	14
Employee contributions paid	2	4
Actuarial (losses)/gains	(23)	(11)
Benefits paid by the plan	(20)	(13)
Fair value of plan assets on closing balance	**408**	**412**

Funded status

(in millions of euro)

	2007	2006
Present value of funded defined benefit obligations on closing balance	(316)	(324)
Unfunded liability for defined benefit obligations on closing balance	(13)	(21)
Fair value of plan assets on closing balance	408	412
Net Asset	**79**	**67**
Effect of asset ceiling	(92)	(88)
Present value of unfunded defined benefit obligations on closing balance	**(13)**	**(21)**

Super de Boer has also recognised a liability for future jubilee benefit payments for an amount of € 3 million (2006: € 2 million).

Components of employee benefit expense recognised in the income statement

(in millions of euro)

	2007	2006
Current service cost	15	17
Interest cost	16	15
Expected return on plan assets	(15)	(14)
	16	**18**
Actual plan participant contribution	(2)	(4)
Net pension expense	**14**	**14**

The fair value of plan assets is invested in the following categories

(in millions of euro)

	2007	2006
Shares and equity linked bonds	157	132
Fixed income bonds	232	230
Real estate	16	13
Cash	3	37
	408	**412**

Expected return on plan assets

The expected return is determined on the expected return of the different asset classes taking into account the strategic asset mix.

	2007	2006
The strategic asset mix on closing balance is:		
- Shares and equity linked bonds	35%	35%
- Fixed income bonds	60%	60%
- Real estate	5%	5%
The expected return for the asset classes is:		
- Shares and equity linked bonds	7.65%	7.30%
- Fixed income bonds	4.50%	4.30%
- Real estate	7.65%	7.30%

Actual return on plan assets

	2007	2006
Actual return on plan assets	(3.1)%	1.9%

Principal actuarial assumptions

At the balance sheet date (expressed as weighted averages):	2007	2006
- Discount rate at period end	5.10%	4.70%
- Expected return on plan assets at period end	5.70%	5.45%
- Future salary increases	2.50%	2.50%
- Social security increases	2.00%	2.00%
- Future pension increases	2.00%	2.00%

Historical overview

(in millions of euro)

	2007	2006	2005	2004
Present value of defined benefit obligations on closing balance	329	345	359	450
Fair value of plan assets on closing balance	(408)	(412)	(404)	(337)
Net (Asset)/Liability	**(79)**	**(67)**	**(45)**	**113**

Actuarial gains and losses due to assumption or other changes

(in millions of euro)

	2007	2006	2005	2004
Obligations				
Actuarial gain/(loss) due to assumption changes	20	22	(50)	(45)
Actuarial gain/(loss) due to experience other than assumption changes	7	16	24	(1)
	27	**38**	**(26)**	**(46)**
Plan assets				
Asset return gain/(loss) due to assumption changes	-	-	-	-
Asset return gain/(loss) due to experience other than assumption changes	(23)	(11)	42	5
	(23)	**(11)**	**42**	**5**

Expected 2008 contributions

(in millions of euro)

	2008
Employer contributions	6
Employee contributions	2

The expense is recognised in the following line items in the income statement:

(in millions of euro)

	2007	2006
Cost of sales	2	2
Selling expenses	8	8
General and administrative expenses	4	4
	14	14

With respect to the accounting principles and policy on recognising actuarial gains and losses see note employee benefits of note significant accounting policies.

Share based payments

Super de Boer has a share option programme that entitles key management and senior employees to purchase Super de Boer shares. Under this plan a number of executives were granted option rights to acquire ordinary shares of € 1.30 nominal value each. This programme awarded options in the period 2002 – 2006 with an exercise period of five years. Exercise under this programme is subject to regulations and the customary rules on the prevention of insider trading. Under these rules and regulations, options may not be exercised in certain periods. The options granted are conditional upon the holder still being in Super de Boer's service three years after the date of granting. If the holder has left Super de Boer's service within three years, only a part, in proportion to duration of service, of the gain realised on exercise of the options will accrue to the holder. The options granted in 2006 are similarly conditional and may be exercised only if the holder is still in Super de Boer's service four years after they were granted. If the holder has left Super de Boer's service within four years the options will expire and consequently no gain realised will accrue to the holder, except if a change of control occurs.

The recognition and measurement principles in IFRS 2 have not been applied to option programmes granted before 7 November 2002.

Option rights and Performance Share Plan ('PSP') shares granted to executives and (former) members of the Board of Management 2006

Year Granted	Number of options/ PSP shares outstanding opening balance	Granted	Expired or unexercised	Exercised	Number of options/ PSP shares outstanding closing balance	Exercise price in €	Expiry year
2001	72,250	-	(72,250)	-	-	50.74	2006
2001	4,000	-	(4,000)	-	-	42.15	2006
2002	52,450	-	-	-	52,450	7.57	2007
2003	262,500	-	-	-	262,500	9.36	2008
2003	15,000	-	-	-	15,000	10.69	2008
2004	1,024,000	-	-	-	1,024,000	4.29	2009
2005	96,644	-	-	-	96,644	n/a	2008
2006	-	200,000	-	-	200,000	1.97	2010
Total	**1,526,844**	**200,000**	**(76,250)**	**-**	**1,650,594**		

Option rights and Performance Share Plan ('PSP') shares granted to executives and (former) members of the Board of Management 2007

Year Granted	Number of options/ PSP shares outstanding opening balance	Granted	Expired or unexercised	Exercised	Number of options/ PSP shares outstanding closing balance	Exercise price in €	Expiry year
2002	52,450	-	(52,450)	-	-	7.57	2007
2003	262,500	-	(34,000)	-	228,500	9.36	2008
2003	15,000	-	-	-	15,000	10.69	2008
2004	1,024,000	-	(75,000)	(18,000)	931,000	4.29	2009
2005	96,644	-	(96,644)	-	-	n/a	2008
2006	200,000	-	-	-	200,000	1.97	2010
2007	-	-	-	-	-	-	-
Total	1,650,594	-	(258,094)	(18,000)	1,374,500		

In accordance with the settlement agreement between Mr Bruijniks and Super de Boer and between Mr Tewarie and Super de Boer regarding the termination of their employment, their options were cancelled on 1 January 2007 and 1 March 2007 respectively.
18,000 options were exercised in 2007.

Fair value at measurement date	2003 228,500 options	2003 15,000 options	2004 931,000 options	2006 200,000 options
Fair value at measurement date	€ 0.64	€ 0.75	€ 2.33	€ 0.77
Share price	€ 1.20	€ 1.38	€ 4.30	€ 1.97
Exercise price	€ 1.20	€ 1.37	€ 4.29	€ 1.97
Expected volatility (expressed as weighted average volatility used in the modelling under binomial tree model)	60%	60%	62%	44%
Option life (expressed as weighted average life used in the modelling under binomial tree (SOP)	5 years	5 years	5 years	4 years
Expected dividends	0%	0%	0%	0%
Risk-free interest rate (based on national government bonds)	3.45%	3.67%	2.92%	3.70%

The fair value of services received in return for share options granted until 2004 and 2006 are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a financial model. The contractual life of the option is used as an input into this model. Expectations of early exercise, when allowed, are incorporated into the binomial tree model with respect to SOPs. The expected volatility for the option arrangements is based on historical volatility determined by the analysis of daily share price movements over the five years prior to the grant date.

The amounts recognised in the financial statements (before income tax) for share based payment transactions with employees were € 0.7 million in 2007 and € 1.2 million in 2006.

25. Provisions

(in millions of euro)	Restruc-turing	Site restoration	Onerous contracts	Claims	Total
Opening balance	**42**	**3**	**28**	**26**	**99**
Provisions made during the year	3	-	5	15	23
Provisions used during the year	(34)	(2)	(4)	(14)	(54)
Provisions reversed during the year	(2)	-	(6)	(5)	(13)
Unwind of discount	4	-	(1)	-	3
Closing balance	**13**	**1**	**22**	**22**	**58**
Non-current	-	1	19	6	26
Current	13	-	3	16	32
Provisions	**13**	**1**	**22**	**22**	**58**

Restructuring

The restructuring provision concerns: (i) the provision to cover the reorganisation, announced in 2006, of the overhead departments and logistics network for an amount of € 11 million (2006: € 37 million); (ii) the provision to cover the reorganisation, announced in 2003, of the overhead departments and logistics network for an amount of € 2 million (2006: € 4 million) and (iii) finally an amount of € nil million (2006: € 1 million) has been included for the settlement of the Belgian activities.

Site restoration

The provision for site restoration concerns the restoration of modifications made to leased premises after the future wind up of the lease-contract.

Onerous contracts

The provision for onerous contracts includes rental obligations up to the end of the leases in respect of vacant leased premises and rented out premises for which the annual rental costs are above the annual rented out revenues. In 2007 the transfer and surrender of some rental contracts resulted in a partial reversal of the provision for onerous contracts.

Claims

The provision for claims includes known and probable claims, including claims regarding guarantees given in connection with the sale of activities in Spain to CVC in 2002.

The additions to and reversals of the provisions are accounted for as:

(in millions of euro)

	2007	2006
Cost of sales	5	29
Selling expenses	–	13
General and administrative expenses	5	75
Total	**10**	**117**

26. Trade and other payables

(in millions of euro)

	2007	2006
Trade payables	63	116
Non-trade payables and accrued expenses	40	43
Trade and other payables	**103**	**159**

27. Financial instruments

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on especially franchisees requiring credit over a certain amount. Super de Boer does require collateral in certain circumstances.

Investments are allowed only in liquid securities and only with counterparties that have an appropriate credit rating. Super de Boer does not enter into derivative financial instruments.
At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Interest rate risk

Super de Boer has only financing arrangements with variable interest rates based on Euribor. At the end of 2007 no interest rate swaps have been contracted.

Effective interest rates and reprising analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprise.

(in millions of euro)	Effective interest rate	6 Months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Total
2006							
Loans granted to affiliated retailers	6.6%	19	-	-	-	-	19
Cash and cash equivalents	2.1%	52	-	-	-	-	52
Secured bank loans:							
Interest bearing loans	8.1%	(99)	-	-	-	-	(99)
Bank overdrafts	5.0%	(30)	-	-	-	-	(30)
Finance lease liabilities	6.9%	(1)	-	-	-	-	(1)
		(59)	-	-	-	-	(59)

(in millions of euro)	Effective interest rate	6 Months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Total
2007							
Loans granted to affiliated retailers	6.6%	15	-	-	-		15
Cash and cash equivalents	2.6%	17	-	-	-	-	17
Secured bank loans:							
Interest bearing loans	9.0%	(1)	(1)	(71)	-	-	(73)
Bank overdrafts	5.3%	(19)	-	-	-	-	(19)
Finance lease liabilities	6.9%	(2)	-	-	-	-	(2)
		10	(1)	(71)	-	-	(62)

Foreign currency risk

Super de Boer is exposed to limited currency risk on purchases that are denominated in a currency other than the euro. The currencies giving rise to this risk are primarily U.S. Dollars. No foreign-exchange rate contracts are entered into by Super de Boer to mitigate the exposure.

Sensitivity analysis

At 30 December 2007, it is estimated that a general increase of one percentage point in interest rates would decrease Super de Boer's result before tax by approximately € 1 million (2006: € 1 million).

It is estimated that a general increase of one percentage point in the value of the euro against other foreign currencies would be immaterial.

Interest rates used for determining fair value

The Company uses the government yield curve as of 30 December 2007 plus an adequate constant credit spread to discount financial instruments.

28. Operating leases

Leases as lessee

The total non-cancellable operating lease rentals are payable as follows:

(in millions of euro)	2007	2006
Less than one year	70	87
Between one and five years	172	218
More than five years	57	63
Leases as lessee	299	368

Long-term operating lease commitments relate mainly to property (store locations, offices and warehouses), but also includes i.e. transport equipment.

Regarding the major category, leased property, the non-cancellable operating lease rentals are payable as follows:

(in millions of euro)	2007	2006
Less than one year	66	82
Between one and five years	163	206
More than five years	57	62
Leases as lessee, leased property	286	350

During the year ended 30 December 2007, € 72 million was recognised as an expense in the income statement in respect of operating leases of property (2006: € 142 million) and € 38 million was recognised as income in the income statement in respect to subleases (2006: € 54 million).

Leases as lessor

Super de Boer leases out its investment property (see note 14) as well as a part of the leased in properties under operating leases. The future minimum lease receivables under non-cancellable leases are as follows:

(in millions of euro)	2007	2006
Less than one year	34	42
Between one and five years	71	88
More than five years	17	19
Leases as lessor	122	149

In 2007 € 2 million was recognised as rental income in the income statement relating to investment property (2006: € 2 million).

29. Capital commitments

Except for capital commitments related to the regular business, Super de Boer did not enter any material capital commitments (2006: € 0 million).

30. Contingencies

Purchase and repurchase commitments

As at 30 December 2007, the total amount of guarantees and commitments under purchase and repurchase agreements relating to the fixtures and fittings and inventories of the affiliated independent retailers amounted to € 32 million (2006: € 32 million).

Guarantees and finance liabilities

Guarantees to banks and letter of credit to foreign suppliers amounting to € 12 million (2006: € 17 million) have been issued as security for rental obligations, payment guarantees relating to disposed-off activities and other guarantees.

Guarantees on divestment of activities in Spain

Super de Boer has unlimited liability with respect to possible claims in respect to the bankruptcies of Tragoz and Mas por Menos. In addition, Super de Boer has unlimited liability for part of the other lawsuits, claims by tax authorities and possible claims under social security law already known about in 2002.

Guarantees on divestment of Assural

Super de Boer has given a guarantee to Aon for claims arising from the disposed-off activities of Assural (insurance portfolio). This guarantee is not limited.

31. Related parties

Shareholders

Joint purchasing arrangements have been agreed with Casino for the purchase of goods from international suppliers. The resulting savings are allocated on a proportional basis.
ABN AMRO Bank, ING Bank and Rabobank (the Banks) are shareholders in Super de Boer. The Banks have granted loans to Super de Boer providing a total facility of € 125 million. Interest and commitment fee were paid to the Banks in 2007.

On 2 November 2006 Casino and the Banks provided a subordinated loan to Super de Boer with a total facility of € 50 million. In connection to this loan interest will be capitalised on the principal in the first two years of the term. An upfront fee of € 0.5 million was paid to lenders in 2006.

Real estate is rented from a shareholder under two agreements, one in respect of retail premises and one in respect of other real estate. The total annual rent amounts to € 10.8 million (2006: € 17.0 million). The leases for the retail premises expire in 2012 and those for other real estate expire in 2019, and have been concluded on an arm's length basis. At year-end, an amount € 2.5 million (2006: € 4.2 million) was included in trade creditors in respect of rent payable.

Key management personnel

Super de Boer has a Board of Management and a Supervisory Board. For the remuneration of these members we refer to the notes to the company balance sheet.

Super de Boer has a Group Management Board which is chaired by the member of the Board of Management. End 2007 the Group Management Board had seven members, excluding the chairman. In 2007 remuneration was also paid to two former members of the Group Management Board. In 2007 the total remuneration for the nine members of the Group Management Board, excluding the chairman and former chairman amounted to € 3.3 million, including bonuses for an amount of € 0.9 million, post-employment benefits for an amount of € 0.2 million and a severance payment of € 1.1 million.

32. Group entities

	Country of incorporation	Ownership interest	
		2007	2006
Albel Betalingskantoor B.V. [1]	Netherlands	-	100.0
Assural B.V. [1]	Netherlands	-	100.0
Blaauboer – Vezo Slagerijen B.V. [1]	Netherlands	-	100.0
De Boer Unigro Rosmalen B.V. [1]	Netherlands	-	100.0
De Boer Unigro Zaltbommel B.V. [1]	Netherlands	-	100.0
De Groene Weide B.V. [1]	Netherlands	-	100.0
Echo S.A.	Belgium	100.0	100.0
Immocom S.A.	Belgium	100.0	100.0
Laurus Asia Ltd.	China	100.0	100.0
Laurus Deelnemingen B.V. (as of 1 January 2008 Super de Boer Deelnemingen B.V.)	Netherlands	100.0	100.0
Laurus International B.V.	Netherlands	100.0	100.0
Laurus Nederland B.V. (as of 1 January 2008 Super de Boer supermarkten B.V.)	Netherlands	100.0	100.0
Limburg Supermarkten B.V. [1]	Netherlands	-	100.0
Super Babylon Nederland B.V.	Netherlands	50.0	50.0
Super Select B.V. [1]	Netherlands	-	100.0
Van der Neut Supermarkten B.V. [1]	Netherlands	-	100.0

1) Entity ceased to exist by legal merger with other Super de Boer group company

33. Accounting estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Key sources of estimation uncertainty

Note 11 contains information about the assumptions relating to goodwill impairment. Note 17 includes information about the judgements involved in assessing the need for valuation allowances on deferred tax assets. In notes 25 and 30 information about the judgements regarding provisions is included.
The valuation of goodwill and deferred tax assets depends on management's estimations regarding future financial results. The development of these future financial results and the circumstances that may influence these developments are frequently evaluated by management. Changes in assumptions and estimates used could influence the valuation of goodwill and deferred tax assets.

Company balance sheet

before proposed profit appropriation

(in millions of euro)

	30 December 2007	31 December 2006
Assets		
Fixed assets		
Financial fixed assets	137	157
Current assets		
Receivables	6	6
Total	**143**	**163**
Liabilities		
Shareholders' equity		
Issued capital	149	149
Share premium reserve	518	518
Other reserves	(616)	(626)
	51	**41**
Long-term liabilities		
Borrowings and credit institutions	73	98
Current liabilities	19	24
Total	**143**	**163**

Company profit and loss account

(in millions of euro)

	2007	2006
Net result on participating interest	10	(45)

Notes to the company balance sheet

Significant accounting policies

General

The separate financial statements are part of the 2007 financial statements of Super de Boer N.V. (formerly Laurus N.V.). With reference to the separate profit and loss account of Super de Boer N.V., use has been made of the exemption pursuant to Section 402 of Part 9, Book 2 of the Netherlands Civil Code.

Principles for the measurement of assets and liabilities and the determination of the result

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its separate financial statements, Super de Boer N.V. makes use of the option provided in section 2:362 (8) of Part 9, Book 2 of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the separate financial statements of Super de Boer N.V. are the same as those applied for the consolidated EU-IFRS financial statements. Participating interests, over which significant influence is exercised, are stated on the basis of the equity method.

The share in the result of participating interests consists of the share of Super de Boer N.V. in the result of these participating interests. Results on transactions, where the transfer of assets and liabilities between Super de Boer N.V. and its participating interests and mutually between participating interests themselves, are not incorporated insofar as they can be deemed to be unrealised.

Notes to the company financial statements

Financial fixed assets

(in millions of euro)

	Participating interests in group companies	Receivables from group companies	Total 2007	Total 2006
Opening balance	170	(13)	157	478
(Redemptions)/loans granted	-	(30)	(30)	(276)
Net profit/(loss) on participating interest	10	-	10	(45)
Closing balance	**180**	**(43)**	**137**	**157**

Current assets

This item relates to social security charges and taxation.

Shareholders' equity

Reference is made to the notes to the consolidated balance sheet with respect to this item.

Long-term and current liabilities

This item relates to debts to credit institutions. Reference is made to the notes to the consolidated balance sheet.

Remuneration of Board members

Board of Management

The total remuneration of the Board of Management amounted to € 607,107 (2006: € 1,111,495).
The remuneration of the individual members of the Board of Management in euro was as follows:

2006	Salary[1]	Pension	Bonus paid in 2006	Total
J.G. Bruijniks	402,591	74,815	359,040	836,446
A.M.F.J. van de Laar[2]	182,700[2]	-	-	182,700
J.G.B. Brouwer	78,805	13,544	-	92,349
	664,096	**88,359**	**359,040**	**1,111,495**

In 2007 Mr Bruijniks received a severance payment of € 768,000.

2007	Salary[1]	Pension	Bonus paid in 2007	Total
J.G.B. Brouwer	503,201	62,697	41,209	607,107

1 Including employers' part of social security charges, health insurance premium and out of pocket expenses retributions.
2 To Mr Van de Laar a fee was paid.

Supervisory Board

The total remuneration of the Supervisory Board amounted to € 114,727 (2006: € 123,630). The remuneration of the individual members of the Supervisory Board in euro was as follows:

	2007	2006
J.A.N. van Dijk	30,909	31,765
S.W.W. Lubsen	25,167	24,958
J.H. Ozinga	24,958	3,936
J-C.H. Naouri	23,038	24,958
F.A. Croon	9,119	24,958
D.R. Goeminne	768	-
H.L. Aouani	768	-
J.P.M.J. Tierny	-	13,055
	114,727	123,630

During 2007 and 2006, a number of Supervisory Board members was part of the year in function.

Shareholdings and option rights in Super de Boer N.V. of members of the Board of Management and Supervisory Board:

		End 2007		End 2006
	Shares	Options	Shares	Options
J.G.B. Brouwer	-	200,000	-	200,000
J.G. Bruijniks	-	-	-	164,094
	-	200,000	-	364,094

Amersfoort, 9 April 2008

Board of Management
J.G.B. Brouwer

Supervisory Board

Provisions of the articles of association regarding profit appropriation

Article 29 Dividend

1 Out of the distributable profit – the surplus on the profit and loss account – an amount can be reserved by the Board of Management. The decision to that effect shall be subject to the approval of the Supervisory Board.
2 If a loss has been suffered in any year, no dividend shall be distributed for that year. In the years which follow, a distribution of profits can only take place after the loss has been compensated from the profits. However, on the recommendation of the Board of Management, subject to the approval of the Supervisory Board, the General Meeting may decide to offset such a loss against the distributable part of the shareholders' equity or to distribute dividend from the distributable part of the shareholders' equity.
3 The profits remaining after the reservation of the profits shall be at the disposal of the General Meeting.
4 The Board of Management may decide to distribute an interim dividend. The decision to that effect shall be subject to the approval of the Supervisory Board.
5 Moreover, sections 103, 104, and 105, Book 2 of the Netherlands Civil Code shall be applicable to distributions to shareholders.

Article 30 Distribution in shares and to the debit of the reserves

1 The Board of Management may decide that a distribution on shares is not made entirely or partly in cash, but rather in shares in the company. The resolution to that effect is subject to the approval of the Supervisory Board.
2 On the recommendation of the Board of Management, subject to the approval of the Supervisory Board, the General Meeting may decide to make payments to holders of shares from the distributable part of the shareholders' equity. The provisions of the preceding paragraph shall apply mutatis mutandis.

Article 31 Payments

The amounts payable in respect of dividends and other distributions shall be announced in accordance with article 40. The claim of the shareholder to distribution shall lapse after a period of five years.

Proposed profit appropriation

Pending the approval of the financial statements by the Annual General Meeting of Shareholders, it is proposed that the result after tax for 2007, amounting to € 10 million be added to other reserves. The company did not have freely distributable reserves at the end of 2007. Consequently, in accordance with article 29(2) of the articles of association, no dividend will be distributed in respect of 2007.

Auditor's report

To the General Meeting of Shareholders of Super de Boer N.V.

Report on the financial statements

We have audited the accompanying financial statements 2007 of Super de Boer N.V. (formerly: Laurus N.V.), Amersfoort. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 30 December 2007, the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 30 December 2007, the company profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Super de Boer N.V. as at 30 December 2007, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Super de Boer N.V. as at 30 December 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Eindhoven, 9 April 2008
KPMG ACCOUNTANTS N.V.
R.P. Kreukniet RA

Information for shareholders

Financial highlights

(in millions of euro)

	2007	2006
Consolidated revenue	1,858	2,894
Consolidated result from operating activities (EBIT)	21	(30)
Consolidated net financing costs	(11)	(15)
Consolidated result for the period	10	(45)
Net debt	77	78

Super de Boer shares are listed on Euronext Amsterdam N.V. The company was included in the Midkap index, the Dutch index for medium-sized stocks, until 2 March 2006. Super de Boer is now included in the AScX index. The liquidity provider for Super de Boer is ABN AMRO Bank.

Approximately 73 million Laurus/Super de Boer shares were traded on the exchange in 2007 in 50,666 transactions (single counted, regulated market). The average daily trading volume was 287,393 shares and the daily turnover was € 1,047,921 based on the volume-weighted average price.

Market capitalisation as at 30 December 2007 was approximately € 391 million.

Spread

As at 30 December 2007, approximately 45% of the issued share capital is held by Casino Guichard-Perrachon S.A., which has been a major shareholder in the Company since 9 July 2002. According to the most recent notifications under the Act on Financial Supervision (status end 2007), approximately 18% of the shares are held by Amber Capital LP and some 6% by the consortium of Banks. Approximately 68% of the shares are held by Dutch and foreign institutional investors, and the remaining 34% are held by private investors, mainly in the Netherlands. Geographically, institutional and banking shareholders are concentrated mainly in France and the Benelux (52%). Other institutional shareholdings are mainly held by US investors.

Major shareholdings (notified under the Act on Financial Supervision)

By 30 December 2007, Laurus/Super de Boer has been notified of the following shareholdings of 5% or more:

- Casino Guichard-Perrachon S.A., Saint-Étienne (France);
- Amber Capital LP;
- ABN AMRO Bank, ING Bank and Rabobank together hold approximately 6% of the shares in connection with Casino's call option.

Shares

Super de Boer N.V. has only one class of share, namely ordinary shares with a nominal value of € 1.30. At the end of the year under review, 114,703,114 of these shares were in issue. With the exception of approximately one hundred thousand shares managed through the shareholders' register, the shares are managed by Euroclear Nederland through the book-entry securities transfer system. No depositary receipts for shares have been issued with the Company's co-operation.

Share price movements

Closing price, 31 December 2007	€ 3.41
Lowest share price in 2007 (5 March 2007)	(intraday) € 2.55
Highest share price in 2007 (24 July 2007)	(intraday) € 5.10
Closing price, 31 December 2006	€ 2.86

Financial calendar

14 May 2008	Annual General Meeting of Shareholders
24 June 2008	Publication of the sales figures for the second quarter of 2008
27 August 2008	Publication of the 2008 half-year figures
16 September 2008	Publication of the sales figures for the third quarter of 2008
13 January 2009	Publication of the sales figures for the fourth quarter of 2008

Dividend policy

By law and under the provisions of the articles of association (see page 80 of this annual report), a company must have freely distributable reserves in order to be able to pay a dividend. This is not currently the case for Super de Boer. In addition to the provisions of the articles of association concerning the distribution of profit, undertakings which prohibit the payment of a dividend have also been entered into with the financing banks.

Investor Relations

Our communications are directed at both private and institutional investors. Super de Boer's efforts are aimed at providing timely, accurate and complete information concerning financial developments at Super de Boer, so that investors can take well-founded investment decisions. We ensure that price-sensitive information is made available to all investors at the same time. Webcasting enables interested investors to hear what is said at press conferences and analysts' meetings and to follow the business of shareholders' meetings in real time without being present in person.

Further information which may be of importance to investors and analysts can be found on Super de Boer's website (www.superdeboernv.nl).

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Design and Prepress
Fons van Bindsbergen

Production and Coordination
Imprima (Nederland) bv

Photography
In The Picture Beeldproducties,
Jan Willem Houweling